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City of Piedmont

Housing Element

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PIEDMONT HOUSING ELEMENT
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EXECUTIVE SUMMARY

Every city and county in California is required to prepare a Housing Element as part of its General Plan. The purpose of the Element is to ensure that an adequate supply of affordable housing is provided for current and future residents of the community. The specific contents of the Element are defined by the State Government Code. The major components include:

- an evaluation of the city's recent efforts to promote affordable housing;
- an assessment of local housing needs;
- an analysis of housing opportunities and constraints in the city; and
- goals, objectives, policies and programs which encourage the development and conservation of affordable housing.

State law requires the City to submit the Housing Element to the California Department of Housing and Community Development (HCD) for a determination of compliance. If a city is found to be out of compliance, its eligibility for state and federal grants may be jeopardized.

The City of Piedmont submitted a Working Draft of this Element to the State in August 2001. Formal comments were received in October 2001. Several rounds of revisions to the document took place in late 2001 and 2002. The document was presented at a community workshop in September 2002 and was considered at a public hearing before the Planning Commission in October 2002. The City Council held two public hearings before adopting the document on November 18, 2002.

To obtain State approval, a community must demonstrate that it is doing its part to meet its "fair share" of the region's housing needs over the 1999-2006 period. The "fair share" for each city and county in the San Francisco Bay Area has been determined by the Association of Bay Area Governments. Piedmont's assignment is 49 housing units, including 10 that are affordable to lower income households.

Piedmont's last Housing Element was adopted in 1992 and covered the period 1989-1995 (later extended by the State to cover 1989-1998). The City's "fair share" assignment for that period was 29 units, including 10 units affordable to lower income households. The actual number of units produced during the time period exceeded this assignment. Between 1989 and 1998, there were 19 new single family homes built in the City, and 45 second units ("in-law" apartments) created. The production of so many second units during this period was a significant accomplishment, since Piedmont's zoning requirements strongly discouraged such units during the 1980s and early 1990s. The adoption of a new second unit ordinance in 1994, followed by a year-long program to permit and legalize such units, enabled the City to produce more than double the amount of housing deemed necessary by ABAG. On the other hand, City rental tax records show that a large share of Piedmont's second units are not in active use as rental housing, suggesting that they are probably being used as domestic employee housing, guest quarters, home offices, or family living space.

Chapter 3 of the Housing Element profiles current and projected housing needs in Piedmont based primarily on data from the U.S. Census. As a mature, landlocked community, Piedmont's population has been fairly stable for nearly 70 years. Population increased by 3.3 % during the 1990s, primarily due to an increase in household size. In 2000, the City had 10,952 residents and 3,804 households. Piedmont residents tend to be older and more affluent than residents elsewhere in Alameda County. The median age (43.7) is the highest in the County. About 90 % of all Piedmont households are homeowners; the other 10 % are renters.

Piedmont is primarily a residential city, with a very small employment base. The major employers are the School District and the City. The high cost and limited supply of housing in the City makes it difficult for

persons working in Piedmont to also live here. Conversely, most Piedmont residents work outside the City in professional and managerial positions. Median household income is estimated to be $183,000, which is 173 % higher than the Alameda County median. Despite the high median income, there are a sizeable number of Piedmont households—particularly seniors—with housing needs that may not be met by the private sector alone.

Chapter 4 of the Housing Element describes opportunities for new housing in the City and identifies potential constraints to housing production. At the present time, there are just 25 vacant lots in the City, all zoned for single family homes. There is also one site with redevelopment potential—a 0.4 acre parcel on Linda Avenue, improved with a now-vacant PG&E substation. The site is zoned for multi-family development and is expected to be available for reuse during the next 5 years. Other housing opportunities may exist on commercially zoned land and on large single family lots that could potentially be subdivided. New second units offer the most significant opportunities for affordable housing in the City. Many established Piedmont homes contain space that could potentially be converted into rental units.

There are a number of constraints to the production of affordable housing in the City. The greatest constraint is the lack of vacant land, and the high cost of building on the few vacant lots that remain. Zoning, subdivision, building code, and design review standards in the City generally do not impede affordable housing development. Permit fees are low compared to other cities in the Bay Area, and infrastructure is readily available. The production of second units in existing homes may be somewhat impeded by parking requirements; the City presently requires that a covered off-street space be provided when a second unit is approved.

Chapter 5 of the Housing Element establishes the City's goals and policies, as well as a series of housing programs to be implemented during the next five years. The programs respond directly to the issues addressed in Chapters 2, 3, and 4. In accordance with State law, the City has developed quantified objectives for each of its housing goals. These objectives indicate the number of households to be assisted through City programs by 2006.

The major program recommendations include:

- Incentives to promote the inclusion of second units in new and remodeled homes.
- Zoning changes to encourage mixed use development (housing over retail or office space) in the Commercial district.
- Density bonuses for projects which include affordable or senior housing, as required by State law.
- Redevelopment of the PG&E site with 8 to 10 units of housing.
- Incentives to preserve small (less than 1,800 square foot) homes in the City.
- Renewal of Temporary Use Permits (TUPs) for 10 second units which would otherwise expire in 2002.
- An update of the City's second unit ordinance to clarify definitions and development standards.
- Incentives which: (a) encourage homeowners to use existing, registered second units for rental housing, (b) encourage homeowners to obtain permits to legalize "unintended" second units and use these units for rental housing, and (c) encourage homeowners to rent second units to lower income households, such as Piedmont school teachers or City employees.
- Public education and information programs to assist homeowners with planning and building procedures, energy conservation, and home improvements.
- Possible revisions to the City's lot size and frontage requirements.
- Assistance to seniors seeking shared housing or wishing to make temporary home improvements.
- Guidelines for solar energy retrofits on Piedmont homes.

CHAPTER 1

INTRODUCTION

1.1 PURPOSE

The purpose of the Housing Element is to ensure that an adequate supply of affordable housing is provided for current and future residents of Piedmont. The Element also seeks to conserve the City's existing housing stock through programs that assist Piedmont residents with home improvement and conservation activities. The Element is targeted toward lower-income Piedmont households and households with special needs, including seniors and persons with disabilities. Its scope is comprehensive, however, addressing the State Legislature's mandate to provide a "decent, affordable living environment for every Californian."

The Housing Element is part of the Piedmont General Plan and its preparation is required by the State of California. In fact, the Element is the only part of the General Plan that is subject to an official State certification process. Following its adoption by the City Council, this document was submitted to the California Department of Housing and Community Development (HCD) for a compliance determination. A finding of compliance is important to ensure that the City remains eligible for state and federal funds such as Community Development Block Grants.

In practical terms, the Housing Element provides the City with an opportunity to assess its housing needs and develop policies and actions that respond to these needs effectively. The demand for affordable housing has become an issue of great concern to Bay Area residents. It affects older Piedmont residents on fixed incomes as well as young persons who may wish to buy or rent a home in the community. It affects teachers in our schools and employees in our local businesses. Ultimately, the supply and cost of housing affects the entire Bay Area economy and the quality of life in the region.

With these considerations in mind, the State has established a process wherein councils of governments determine each community's "fair share" of the region's housing needs. In the Bay Area, the relevant council is the Association of Bay Area Governments (ABAG). ABAG represents 101 cities and nine counties, with a combined population of 6.9 million residents. The Association has determined that 230,700 new housing units will be needed between January 1, 1999 and July 1, 2006 to meet the Bay Area's housing demand and each jurisdiction within the Bay Area has been assigned a share of these units by ABAG. Each jurisdiction must use its Housing Element to show that there are sufficient opportunities to accommodate their assignment within the community. Piedmont's assignment for the 1999-2006 period is 49 new housing units.

Piedmont's previous Housing Element was completed in 1991 and adopted in January 1992. Although updating of the Element is usually required every five years, the update process was delayed by the State of California and the last Element's coverage period was extended through the end of 1998. In the Spring of 2001, Piedmont was instructed to update its Element using the new ABAG assignment.

1.2 LEGAL BASIS FOR THE HOUSING ELEMENT

This Housing Element has been structured to meet the requirements of the California Government Code. Article 10.6, Section 65583 of the Government Code provides specific guidelines for the topics to be covered and analyses to be performed. The 2001 Piedmont Housing Element has been formatted so that relevant sections of the Government Code appear in margin sidebars throughout the document. Broadly speaking, the Government Code requires the Element to evaluate the current housing market in the community and identify programs that will meet local housing needs. The document must also evaluate the past Housing Element and consider its successes and shortcomings in the development of future housing strategies.

Consistency With Other Elements of the Piedmont General Plan

The other Elements of the Piedmont General Plan are Land Use, Circulation, Open Space/Recreation/Conservation, Safety, Noise, Community Design, and Public Utilities and Facilities. These Elements were updated in 1995 and adopted by the City Council in February 1996.

The adoption of the 2001-2006 Piedmont Housing Element is processed as an amendment to the General Plan. Because the Plan must be internally consistent, it is important that the policies in the other Elements are compatible with the Housing Element and help further the achievement of housing goals and objectives. As part of the Housing Element update, the City has reviewed the other Elements of the General Plan to assess the need for housing-related policy changes. No changes were found to be necessary.

1.3 ORGANIZATION OF THE ELEMENT

This Housing Element has been organized into five chapters, as follows:

- Chapter 1, **Introduction,** provides an overview of the Element.
- Chapter 2, **Context and Evaluation,** describes the factors which influence the Piedmont housing market and presents an evaluation of the 1992 Element.
- Chapter 3, **Demographics and Housing Needs**, includes an analysis of Piedmont's population and housing characteristics and projections of future housing needs.
- Chapter 4, **Housing Opportunities and Constraints**, describes the opportunities for building future housing in the City and the constraints that may inhibit housing construction and conservation.
- Chapter 5, **Goals, Policies, and Programs,** presents quantified targets for housing conservation and production, as well as policies to guide day-to-day decisions pertaining to housing. This section also includes a Five-Year Action Plan to implement the City's housing policies.

1.4 PUBLIC PARTICIPATION

In accordance with the Government Code, the City of Piedmont has solicited public input in its preparation of the Housing Element. In March 2001, the Piedmont City Council appointed eight residents to serve on a Housing Element Review Committee (HERC) to oversee work on the Element and provide input on a number of policy issues. The Committee represented diverse age groups, opinions, and housing types in the City.

The HERC met six times prior to the submittal of a working draft to HCD and five times following the HCD review to consider appropriate revisions. In addition, as part of the Housing Element update, the City of Piedmont conducted a community workshop on housing issues. The workshop was advertised in the local newspapers and was also publicized through public notices and bulletins. The City extended workshop invitations to East Bay housing advocates, nonprofit developers, social welfare organizations, and representatives of the local faith community.

The workshop included an overview of the Housing Element and its requirements, a discussion of housing opportunities and constraints in Piedmont, and an evaluation of housing issues. These issues primarily related to second units, the reuse of the PG&E site, proposed zoning text changes, and the conservation of small homes.

The City also conducted public outreach by making the Housing Element available for public review at the Planning Counter in City Hall, at the Piedmont Community Center, and at the Recreation Department. The Draft Element was posted on the City's website to solicit additional interest and feedback. A press release was provided to the Piedmonter and the Piedmont Post indicating the draft document's availability for public review, and explaining how to obtain or review a copy. Several articles about the Housing Element appeared in these publications prior to the document's adoption.

Finally, the Planning Commission and City Council held public hearings on the Element, as required by State law. Those hearings were formally noticed through legal ads and were covered by the local media.

CHAPTER 2

CONTEXT AND EVALUATION

2.1 INTRODUCTION

This Chapter contains three sections. The first section provides an overview of the Piedmont housing market and the unique factors that influence housing supply and demand in the City (this information is supplemented by extensive demographic and housing data in Chapter 3). The second part of this Chapter evaluates the major achievements in Piedmont with respect to housing production during the 1990s. The final part of this Chapter evaluates the 1992 Piedmont Housing Element. Each policy and program in that element is cited, followed by an assessment of the City's progress towards its implementation.

2.2 CONTEXT

Location

The City of Piedmont is an older, well-established community located in Alameda County, approximately 10 miles east of San Francisco. As illustrated in Figure 2-1, the City is completely encircled by the City of Oakland and has no opportunities for annexation. This has been the case since 1909, when Oakland annexed Piedmont's north and east perimeter. Piedmont's "landlocked" setting has influenced its historic development patterns and significantly affects its potential for new housing and employment today. The City encompasses 1.7 square miles—virtually all of it fully developed.

Figure 2-1
City Location and Context

Piedmont is regarded within the Bay Area as a very desirable residential community. The City's proximity to the region's major employment centers, coupled with its excellent schools, low crime rate, high quality housing stock, gracious architectural character, and well maintained parks have contributed to this image. More than 90 % of the City's land area is developed with housing; 9 % consists of schools, parks, and churches. Piedmont has less than four acres of commercial land, consisting mostly of offices and small businesses. The City has no industrial land.

Market Characteristics

Piedmont's housing market reflects the fact that the City has been built out for 40 years. Real estate transactions are dominated by the sale of high-end single family homes built before 1960. New construction since 1980 has averaged just one to two homes a year.

Many persons purchasing Piedmont homes wish to update or expand their homes to contemporary standards. For the past two decades, the City has had a highly effective design review and planning program to guide this process. This program has enabled the City to retain the scale of its neighborhoods and preserve many of its smaller homes, while still providing homeowners with an opportunity to adapt their properties to meet their needs.

Piedmont has a very small supply of rental housing, consisting of approximately 50 conventional apartments, about 90 second units (sometimes referred to as "in-law" apartments), and 200 to 250 private homes that are rented by individual property owners.[1] In addition, some of the City's private homes have on-site living quarters for household employees.

At the present time, there are about two dozen vacant lots remaining in Piedmont. These lots are scattered throughout the City and comprise a combined total of 9.9 acres of land. Most are constrained by steep slopes, and all are located on streets characterized by large single family homes. During the next decade, it is likely that some of these lots will be

[1] *The 2000 Census reported 355 rental units in the City. The estimate of 200 to 250 private homes has been derived by subtracting the number of apartments and second units from this number. Because some property owners may not report rental income to the City, the exact number of rented single family homes is not known.*

developed with new custom residences. Given the significant costs associated with hillside construction and prevailing market conditions in the City, these homes are likely to be very expensive.

Piedmont has almost no land suitable for conventional redevelopment, nor does it have public land that might be made available for future housing. The City's commercial land is fully developed and supports about two dozen active businesses and ancillary storage uses. The replacement of existing single family homes with multi-family development is not considered feasible, due to the excellent condition of the City's housing stock and the potential for displacement of existing Piedmont residents. Moreover, the City Charter requires a citywide election for the rezoning of any parcel of land to a use other than single family residential, making "upzoning" (e.g., zoning to allow higher densities) unlikely.

Given the lack of vacant and redevelopable land in the City, Piedmont is exploring other ways to meet future affordable housing needs. During the past decade, the City has found that the most effective approach is to encourage the production of second units.

The Role of Second Units in Piedmont's Affordable Housing Efforts

A second unit is a dwelling unit that is attached or detached from a larger dwelling unit on the same lot and that can be used for habitation. Additional information on the physical characteristics of second units is contained in the text box on the following page.

The California Government Code (Section 65852.2) requires cities to allow second units in all residential zones except where specific adverse impacts to public health, safety, and welfare would result. The Government Code further allows local governments to establish a process for the issuance of second unit conditional use permits and to impose standards on such units with regard to parking, setbacks, lot coverage, maximum size, and similar factors.

The City of Piedmont has a long tradition of allowing second unit housing. Many of these units were initially created as living quarters for domestic employees. Today, second units in Piedmont provide housing for

professionals, seniors, caregivers, child care employees, relatives, and young adults entering the housing market, among others.

The Piedmont City Code identifies several different types of second units, defined in Table 2-1. In 2001, Piedmont had 34 "exempt" second units, 46 second units with conditional use permits (CUPs), and 10 second units with Temporary Use Permits (TUPs).

These units appear throughout the City in many different configurations. They include basement and attic units, garage apartments, detached cottages, and more. Some are over 80 years old, while others have been built within the past five years.

What's a "Second Unit?"

Second units are an essential part of Piedmont's affordable housing stock. As Table 2-1 notes, there are many different types of second units in Piedmont. These units share the following physical characteristics:

- *A separate entrance.*
- *A private bathroom, containing a sink, toilet, and shower or bath.*
- *Basic cooking facilities, including a sink independent of the bathroom sink (some second units may not have permanent cooking facilities and may only be equipped with microwaves, mini-refigerators, etc.).*
- *A sleeping area (not necessarily a separate room).*
- *A permanent heating system.*
- *Ceiling heights of at least 7'6" in habitable rooms and 7'0" in hallways and bathrooms.*
- *At least one operable window measuring 24" x 20" or larger, the bottom of which is no more than 44" above the floor.*
- *The space could potentially be used in a manner that is private and separate from the primary residence on the property.*
- *The space is less than 1,200 square feet if it is detached from the main house, or occupies less than 30 % of the total floor area on the property if it is attached to the main house (note: NEW second units in Piedmont may not exceed 700 square feet. Some of the existing second units in the City, however, are larger than 700 square feet).*

A second unit may be attached to the main house, or it may be an independent structure on the property. It can be a studio (e.g., a single room with a private bath) or it may contain one or more bedrooms. Most Piedmont homeowners with spaces meeting the above physical criteria are not actively using these spaces as rental units. Common uses include housing for domestic employees, home offices, guest quarters, and sleeping quarters for family members. Converting such spaces to rental housing requires a Conditional Use Permit from the City.

Table 2-1: Types of Second Units in Piedmont

Unit Type	Definition	Number of Units
Exempt	Units that have been formally verified as having existed as separate living quarters in 1930, the year the Piedmont Zoning Ordinance was adopted. These units have been granted amnesty under Chapter 17D of the Piedmont Municipal Code and may be used as rentals without conditions.	34
Conditional Use Permit (CUP)	Units that were created in accordance with Chapter 17D of the Piedmont Municipal Code, as amended in 1994. These units were approved subject to certain conditions pertaining to parking, unit size, design, and other attributes. All units with CUPs are reviewed every two years to ensure that the permit conditions are still being met.	12
Government Code Conditional Use Permit (GCCUP)	The GCCUP units were created through a special City program in 1994 and 1995 which provided expedited approval for property owners wishing to create second units. The units are subject to the same bi-annual review as the CUP units.	34
Temporary Use Permit (TUP)	TUP units were approved under Piedmont's 1987 second unit ordinance. These units were to be phased out in 2002, following a 15-year amortization period for their owners. Most of these units do not meet the parking requirements of the City's current second unit ordinance and some do not meet building code standards.	10
Unintended Second Unit	A second unit that is not used in a manner that is private and separate from the main residence on the property. Unintended units include rent-free au pair and domestic employee quarters, as well as guest cottages or portions of private residences with separate entrances, kitchens, and bathrooms. Unintended units may not be used as rental housing unless they are reclassified through the Conditional Use Permit process.	100+
Illegal	Any unit that is being used in a manner that is private and separate from the main residence on the property, without a CUP, GCCUP, TUP, or determination of exemption. Such units may not be used as rental housing unless they are reclassified through the Conditional Use Permit process.	Unknown

Source: City of Piedmont, 2001

Based on City planning and building records, there are also at least 100 "unintended" second units in the City (e.g., units not in active use as rental housing). If the owners of such units meet the parking standards and other dimensional requirements established by the City's zoning ordinance, they may apply for a Conditional Use Permit to use these units as rental properties. The unintended units have significant potential to help Piedmont meet its future housing needs.

Many other Piedmont homes are quite large and could potentially support second units within their existing footprints. There are a significant number of Piedmont seniors and "empty nesters" in large homes who might find the concept of a second unit to be attractive. Although creation of such units requires the provision of off-street parking and possibly structural changes to the residence, the investment can provide a way for the household to remain in Piedmont as the housing needs of its members change.

As the next section of this Chapter illustrates, all of the new affordable units created in Piedmont during the 1990s were second units. Given the character of the City, and the virtual absence of vacant land and land with redevelopment potential, second units will continue to be the foundation of the City's affordable housing programs during the decade to come.

2.3 EVALUATION OF THE 1992 HOUSING ELEMENT

Overview of the 1992 Housing Element and Fair Share Allocation

The 1992 Piedmont Housing Element was prepared to cover the period 1989-1995. At that time, the ABAG Regional Housing Needs Allocation had assigned 29 new housing units to the City of Piedmont, distributed as follows:

Very Low Income Units[2]	6
Low Income Units	4
Moderate Income Units	5
Above Moderate Income Units	14
TOTAL	*29*

[2] *The definition of "very low," "low," "moderate," and "above moderate" is contained on Page 3-9.*

Affordable Housing Defined

References to "affordable" housing appear throughout this document and in the State Housing Element guidelines. "Affordable housing" is defined as housing that can be purchased or rented by a household with very low, low, or moderate income for less than 30 % of that household's gross income. The actual dollar threshold is defined with a sliding scale that takes the number of persons in the household into consideration. This allows adjustments to be made for the additional expenses incurred by persons with dependents. For renters, the 30 % limit includes both rent and utilities (electric, gas, and water). For homeowners, the limit includes the mortgage (principal and interest), taxes, escrow, homeowner dues, and utilities.

The cost of an "affordable" apartment or home is adjusted annually based on U.S. Department of Housing and Urban Development (HUD) income data. This data indicates the annual incomes that define very low, low, and moderate income households in a metropolitan area. In 2001, a two-person Alameda County household with an annual income of $43,050 was considered low income. Such a household would theoretically have $12,915 a year to spend on housing (30 %), or about $1,076 a month. Assuming that utilities were $75 a month, an "affordable" rent or monthly house payment would be $1,001. If that household paid more than $1,001 a month in rent, their rent would not be considered affordable. A one-person Alameda County household with an annual income of $60,120 would be considered "moderate" income. Making the same assumptions cited above, if that household paid more than $1,428 a month in rent, their rent would not be considered affordable.

In the Bay Area, the market rate for rents and homes usually far exceeds "affordable" levels for very low, low, and moderate income households. State and federal programs, including tax credits, are often used to close the gap and allow lower rents or sales prices to be charged. The term "affordable housing" typically applies to units that have been specifically developed to meet the needs of low and moderate income households, with rents and sales prices capped at set limits and occupancy restricted to qualifying households. Residents are typically selected through an application and screening process and must demonstrate that their annual earnings are within the limits established by HUD.

The City used its Housing Element to demonstrate how it would encourage the production of these units during the 1992-1995 period. The State subsequently granted two extensions to Bay Area cities and counties, giving them until the end of 1998 to meet their fair share allocations.

Housing Production in Piedmont, 1989-1998

Between 1989 and 1998, there were 19 new single family residences constructed in Piedmont. All were market-rate custom homes on infill parcels. Thirteen of the homes were built on vacant lots and six replaced existing homes (including one that replaced a house lost to fire prior to 1988). In addition, one new single family residence was created when an existing lot containing an estate and a gardener's cottage was divided, creating two owner-occupied dwelling units of equal status. Thus, the net increase in single family homes during the period was 14 units. These units fully met the ABAG allocation for "above moderate" income housing.

A relatively large number of new second units also was created during the 1989-1998 period. City Planning Department records indicate that there were 90 legal second units in 1999, compared to 45 units in 1989, an increase of 100 %. Business license records indicate that eight of the newly created units were being actively rented in 1999, with monthly rents ranging from $350 to $942. Based on the rental income reported on the business licenses, the units included one "very low" income unit, five "low" income units, and two "moderate" income units. It is likely that some of the other units were also being used as separate living quarters by someone other than the owner, although no rental income was reported to the City.

Table 2-2 compares actual housing production for 1989-1998 to the ABAG assignments.

Table 2-2: ABAG Fair Share Allocation and Actual Housing Production in Piedmont, 1989-1998

INCOME CATEGORY[3]	ABAG ASSIGNMENT	ACTUAL UNITS ADDED	NEW UNITS OCCUPIED OR REPORTED AS RENTED[4]
Very Low	6	45[5]	1
Low	4		5
Moderate	5		2
Above Moderate	14	14	14
TOTAL	**29**	**59**	**21**

Source: City of Piedmont, 2001

Additional Accomplishments: The 1994 Second Unit Ordinance and Government Code CUP Program

One of the City's most significant accomplishments during the 1989-1998 period with regard to affordable housing was the adoption of a new second unit ordinance, followed by a 12-month program to permit and legalize second units in all single family areas.

The new second unit ordinance (Chapter 17D of the Piedmont City Code, effective January 19, 1994) replaced a 1987 ordinance which was considerably more restrictive. Whereas the 1987 ordinance allowed second units in the multi-family zone only, the new ordinance allowed such units in all residential zones, subject to a conditional use permit (CUP). The new ordinance established the following parameters for second units, in accordance with Government Code 65852.2:

- the total floor area may not exceed 700 SF.
- the same lot coverage and floor area ratio limits which apply to the primary residence apply to the second unit.

[3] *Income categories defined on Page 3-9.*

[4] *Based on Calendar Year 2000 business license tax data for second unit rentals provided by the Piedmont City Clerk. It is probable that more than eight of the 45 new second units were being used for habitation.*

[5] *Based on second units formally approved during the 1989-1998 period. Some of these units may have been used for habitation illegally before they were approved.*

- the unit must conform to the building code requirements in effect at the time it was created, as well as other code requirements determined necessary by the City's Building Official (typically, these requirements relate to smoke detectors, spark arresters, and other health and safety factors).
- the owner must live on the property, either in the primary residence or in the second unit.
- conforming parking (generally equal to one off-street, non-tandem space) must be provided.
- a CUP application, including floor plans and a fee, must be submitted, and a public hearing before the Planning Commission is required.

In November 1994, the City initiated what became known as the "Government Code CUP (GCCUP) Program." This year-long program allowed second units to be permanently approved with more lenient standards, including a waiver of the parking requirement, less restrictive dimensional standards, and a waiver of the Planning Commission hearing. The primary objective of the program was to provide a "retroactive" opportunity for homeowners who had been unable to create second units during the period in which the previous ordinance had been in effect. Another objective was to legalize unregistered second units and ensure that they conformed to health and safety codes.

In mid-1994, the City conducted a comprehensive review of all building permits issued between July 1, 1983 and January 19, 1994 (10,673 permits). Any permit for an improvement which might have led to an "unintended" second unit during that time period was flagged and entered into a data base. Flagged permits included residential additions, new bathrooms and kitchens, electrical service upgrades, improvements to basements and attics, conversions of unfinished space into living area, and new exterior doors, among others. Ultimately, the City compiled a data base of 1,767 permits, representing 1,192 Piedmont addresses (about 31 % of the City's housing stock).

Each of the 1,192 property owners was individually contacted with a letter informing them that they might be eligible to participate in the GCCUP program. The City responded to numerous inquiries from property owners and performed complimentary inspections to assist owners in determining their eligibility. Ultimately, 36 applications were received and 34 units were

approved. Approximately two-thirds of the approved units existed prior to 1994 but had not previously been registered, while the other one-third were newly created during 1995.

The Government Code CUP program represented a major milestone in the City's affordable housing production efforts. The program enabled the City to produce more than twice the number of units assigned by ABAG for the 1989-1998 period. Refinement of the second unit program will be considered during the coming years to encourage the active use of existing units as rental housing and to explore incentives for creating new units.

Housing Conservation and Maintenance Activities

The City of Piedmont actively encouraged the conservation and maintenance of its housing stock during the 1989-1998 period. City staff estimates that home improvement permits were issued for more than half of the City's housing units during this time period. Design review and city planning criteria were revised several times to expedite permit processing and facilitate home rehabilitation projects. Temporary planning and building staff were added during peak periods to ensure prompt and responsive service to Piedmont homeowners. Brochures were prepared to help Piedmont homeowners navigate the application and permitting processes.

The City also took steps to preserve its supply of small single family homes, primarily through floor area ratio and lot coverage standards. These standards have been augmented by design guidelines which maintain the scale of existing construction and discourage excessively large additions and "teardowns" (e.g., the replacement of small homes in good or fair condition with much larger homes).

2.4 REVIEW OF 1992 OBJECTIVES, POLICIES, AND ACTIONS

Government Code Sec. 65588 (a)(2) and (3):

The Housing Element shall evaluate ...

"The effectiveness of the (prior) housing element in attaining the community's housing goals and objectives"

and

"The progress of the city or county in implementation of the housing element."

The following section of the Housing Element is specifically required by the Government Code. The objectives, policies, and actions contained in the 1992 Element are individually assessed and critically reviewed. The relevance of each policy or action to current housing conditions in Piedmont is noted. Where appropriate, changes to be reflected in the new Housing Element also are noted.

To make this section more readable, excerpts from the 1992 Housing Element are presented in quotation marks and with a different font *("example")* than the rest of the text.

Goal A: Housing Options

The first goal of the 1992 Housing Element was to provide a wide range of housing options, consistent with the character of the community. This goal has been pursued throughout the planning period and remains relevant today. Specific policies and actions from the 1992 Element are noted below, along with commentary:

> *"Policy A1. Make every effort to provide affordable housing for those people who live and work in Piedmont, to meet all income levels and to meet the City's fair share of housing as determined by ABAG."*

The City pursued this policy primarily through its second unit ordinance. Efforts were aimed at those who live in Piedmont, rather than those who work in Piedmont. It should be noted that 84 % of Piedmont's employed residents worked outside the City, while most persons employed in Piedmont actually lived in other communities (according to the 1990 Census). The policy should be rephrased or changed to more clearly state its intent.

> *"Policy A2. Use local, state, and federal funding assistance, to the extent that these subsidies exist and are appropriate to Piedmont's needs, to assist the public and developers in the provision of affordable housing."*

This policy remains applicable. Opportunities to use state and federal funds for new housing in Piedmont are severely limited, however, by the

lack of available land in the City. Future policies should emphasize the role of second units in meeting the City's affordable housing needs.

> *"Policy A3. Make an effort to preserve and increase the stock of housing for all income levels."*

While the City has been diligent in its efforts to create new second units and single family residences, some might argue that not enough has been done to preserve the supply of small single family residences. Most new homes in Piedmont are more than 3,000 square feet in size. The existing supply of small (less than 1,800 square feet) homes is not increasing, and in fact, has been reduced as smaller homes have been expanded in response to the housing market. Additional policies on the preservation of smaller homes may be appropriate in the updated Housing Element.

> *"Policy A4. Work with the California Department of Housing and Community Development, Alameda County, and its municipalities in establishing and coordinating low and moderate income housing for special groups such as seniors and the disabled."*

The City has participated in the County's Community Development Block Grant (CDBG) program to help provide funding for special needs households. No housing specifically dedicated to seniors or disabled persons has been built in the City, however, due to the lack of land. This policy should be modified to reflect land constraint realities.

> *"Policy A5. Promote the issuance of Mortgage Revenue Bonds (MRB) and Mortgage Credit Certificates (MCC) to assist first time homebuyers."*

The City kept apprised of the County's MRB and MCC programs. Given the lack of land, opportunities for such programs in Piedmont were not actively promoted.

> *"Program A1. Through corporate and police powers, the City will make reasonable efforts to meet its fair share of housing as determined by ABAG. The City's five-year housing objectives are: 6 very low income units, 4 low income units, 5 moderate income units, and 14 above moderate income units."*

The City exceeded its 1989-1998 ABAG housing production target by issuing conditional use permits for 45 second units during the time period. Program A1 should be updated to reflect the new 1999-2006 ABAG fair share housing targets.

"Program A2. The City will assist all private organizations in obtaining governmental funding related to construction and rehabilitation of low and moderate income households. The City will conduct a study of funding sources. By April 1992, recommendations to the City Council will be made regarding funding sources that the City should pursue. Applications will be prepared by the City and/or applications will be made available to organizations or individuals depending on the requirements of the program. Funding sources include, but are not limited to: the federal CDBG program, and state programs for Self-Help Housing, Home Ownership Assistance, Predevelopment Loans, Non-Profit Housing, and Minority and Small Business Development."

The City provided information and assistance to private organizations for the construction and rehabilitation of housing during the planning period, but did not receive specific proposals. The study of funding sources referenced in this program was completed in the mid-1990s. Although the Study was not formally presented to the City Council, the City did seek funding from those sources deemed most feasible. For example, the City applied for HOME funds to redevelop a storage site owned by Pacific Gas and Electric (PG&E) with multiple family housing.[6] Ultimately, acquisition of the site proved infeasible, in part due to hazardous materials issues, and the project was dropped.

As currently written, Program A2 combines a number of independent actions with a single statement. It should be reworded and clarified in the updated Element.

"Program A3. In addition to the above programs, the City will make available information and/or direct interested parties to the appropriate federal, state, and local agencies which provide funding sources supporting rental housing units....Possible sources include the State Rental Housing Construction Program and Prop 77 and 84 funds for the rehabilitation and construction of rental units.[7]"

The City has made information available as requested. State funds for rental rehabilitation and construction have not been pursued due to the lack of land in the City and the small number of existing rental units.

[6] *HOME is a federal block grant program that provides incentives for the acquisition, construction, and rehabilitation of affordable renter- and owner-occupied housing.*

[7] *The text shown is an abridged version of what actually appears in the 1992 Element. The text that is not shown simply repeats material that appears in Program A2. Program A4, A7, A8, and A9 have been similarly abridged.*

"Program A4. The City will make available information on state and regional programs that support housing for special need groups....Possible funding sources include the Senior Citizens Shared Housing Program and the Section 8 Housing Assistance Program."

The City has made information available as requested. Again, funding sources were not pursued because of the lack of available land in the City.

In general, Programs A2 through A4 in the 1992 Element are cumbersome and should be revised so that they are less repetitious and more reflective of conditions in Piedmont.

"Program A5. The City will respond to parties interested in developing available sites for development and/or construction of shared living homes for senior citizens. This could include the conversion of Mansion Homes."

The feasibility of converting large Piedmont estates into shared housing for seniors has been discussed by the City, but has not been pursued. Applications and inquiries, if received, would be considered on a case by case basis. Additional policies addressing senior housing should be included in the updated Element and the use of large homes for shared living should continue to be explored.

"Program A6. The City will respond to parties interested in developing available sites for the construction of senior housing units."

No requests were received by the City due to the lack of available sites.

"Program A7. The City, alone or in conjunction with the County, will investigate California Debt Limit Allocation Committee requirements for issuance of tax-exempt Mortgage Revenue Bonds (MRBs)....If feasible in the determination of the City Council, the City and/or County will apply to the Committee for allocation of MRBs."

The feasibility of MRBs was considered by the City as part of the Affordable Housing funding study described earlier (see Program A2 evaluation on Page 2-14). Allocation of MRBs to Piedmont has not been pursued, and a City-sponsored MRB program is probably infeasible due to the lack of land in Piedmont. Participation in future County programs remains a valid objective and should continue to be pursued.

"Program A8. If found feasible by the City Council, the City alone or in conjunction with the County, will contact the California Debt Advisory Commission and investigate requirements to obtain authority for the issuance of Mortgage Credit Certificates (MCCs). The City and/or County will work with real estate agencies and lenders to implement an MCC program."

Requirements for MCCs were investigated by the City as part of the Affordable Housing funding study described earlier (see Program A2). A City-sponsored MCC Program is probably infeasible due to limited City staffing and the high cost of administration. Participation in future County MCC programs remains a valid objective and should continue to be pursued.

"Program A9. The City will provide information to developers and the public regarding the California Housing Finance Agency's (CHFA) bond financing program."

No requests for information were received by the City during the planning period. Given the lack of available land in Piedmont, this program was not feasible.

Goal B: Adequate Sites

Goal B relates to the provision of sites in the City sufficient to meet the ABAG fair share assignments. The Goal is still relevant, although it essentially repeats Policy A1. The City has pursued this goal by encouraging second units and facilitating permit processing for new residences. Specific policies and programs from the 1992 Element are reviewed below.

"Policy B1. Support the construction of affordable housing especially for senior citizens."

Affordable housing has been constructed in Piedmont in the form of second units. This housing has not been specifically reserved for senior citizens.

"Policy B2. In addition to providing density bonuses or other incentives, the City will target specific incentives and funding sources at adequate sites listed in Appendix B."

The intent of this policy was to provide incentives for new housing on the City's remaining vacant sites. In practice, the strength of the private market resulted in the development of many of these sites. A more effective policy would be to provide incentives to include second units within new and newly remodeled single family homes.

"Policy B3. Update Chapter 17 of the Municipal Code to reflect State statutes regarding mobile homes and manufactured homes."

Chapter 17 was not amended following the last Housing Element. Although mobile or manufactured homes would be permitted in the City pursuant to State law, there is still a need to update the Zoning Code to make this explicit.

"Program B1. Through the Municipal Code, the City will continue to allow residential units in commercial districts. Particular emphasis will be placed on senior housing. In addition, the City will conduct studies by December 1992 which will make specific recommendations related to general plan redesignation, code amendments, adaptive reuse, mixed use zoning, and density increase for the following sites: Grand Avenue Commercial, PG&E storage building, and the Maxwelton Property. The City will offer incentives as appropriate to each site: fee waivers, parking standard modifications, and others deemed appropriate in the proposed study. Findings of the study shall be presented to the City Council for implementation within six months of completion."

The City did not conduct a formal study of these sites as described in this program, but did take action on each site independently.

Along Grand Avenue, residential development has been encouraged on existing commercially zoned parcels. A rug gallery was added to a residence within the commercial zone, setting a precedent for mixed use development along the street. The potential for additional mixed use development exists and should be explored further in the future.

On the PG&E site, as mentioned earlier, a housing proposal prepared by the City was dropped when the site became unavailable for reuse. PG&E has recently indicated that that hazardous materials issues have been resolved and it will make the property available for sale in the future. The

City should continue its efforts to promote the reuse of the site for housing.

The Maxwelton property consists of a very steep City-owned site abutting Mountain View Cemetery. The City briefly explored the feasibility of developing 18 units of market rate senior housing on this property but did not pursue the project due to the high expense of developing the site, the potential for significant environmental impacts, and public opposition. The property was designated as "Open Space" in the 1996 General Plan and is no longer considered a potential housing site.

> *"Program B2. The City will designate a Housing Coordinator. Responsibilities of the Coordinator shall include, but are not limited to, developing a pilot program to package housing incentives and funding sources aimed at developing affordable housing. The City will also consider establishing a Task Force to assist the Housing Coordinator in implementing the Housing Element."*

The City Planner has been designated as the Housing Coordinator. A Task Force has not been created and may not be necessary given the limited opportunities for new housing construction. A Task Force specifically focused on second units could be considered by the City when the second unit ordinance is revised.

> *"Program B3. In accordance with Section 65852.3 and 65852.4 of the Government Code, a city, including a charter city, shall allow the installation of manufactured homes certified under the National Manufactured Housing Construction and Safety Standards Act of 1974...on foundation systems on...lots zoned for conventional single family residential dwellings. Except with respect to architectural requirements, a City shall only subject the manufactured home and the lot on which it is placed to the same development standard to which a conventional single family residential dwelling on the same lot would be subject."*

This program, as currently worded, is not an action item but rather an abridged version of the California statute on manufactured housing. The presence of this language in the Housing Element alone is not sufficient to meet the State requirement; an amendment to the Zoning Ordinance is still needed.

> *"Program B4. In accordance with Sections 65852.7 of the Government Code, a mobile home park, as defined in Section 18214 of the Health and Safety Code, shall be deemed a permitted land use on all land planned and zoned for residential land use as designated by the applicable general plan; provided, however, that a city, county, or a city and a county, may require a use permit."*

Again, this program is not an action item but a recap of the California statute. An amendment to Chapter 17 is still needed to codify this standard.

Goal C: Maintenance and Preservation

The City has actively supported the maintenance and preservation of its housing stock during the last decade. This remains a valid goal. An assessment of specific policies and programs in the 1992 Element follows.

> *"Policy C1. Encourage private reinvestment in residential neighborhoods and private rehabilitation of housing."*

The City is successfully implementing this policy. Local planning and building programs accommodate and support the rehabilitation of the housing stock. The City has greatly expanded public understanding of the planning and building permit process in Piedmont by preparing informational pamphlets for public use (more than a dozen such pamphlets are kept at the Planning and Building Counter), working with local newspapers (*The Piedmonter* and *Piedmont Post*) on development-related articles, broadcasting Planning Commission and City Council meetings on local access cable TV (KCOM), and frequently communicating with local real estate professionals on planning and permitting requirements in the City. This increased understanding has helped the public navigate the permitting process, thereby expediting project approval.

> *"Policy C2. Continue to use state and federal funding assistance to rehabilitate housing, especially Community Development Block Grant (CDBG) funds."*

The City is successfully implementing this policy. It has used CDBG funds to assist property owners in residential rehabilitation projects.

"Policy C3. Require abatement of unsafe structures, giving property owners ample time to correct deficiencies."

The City has a complaint-based code enforcement program which has been extremely effective in identifying unsafe structures. The Building Official administers provisions of the City Code regarding building safety. Property owners have been provided with ample time to correct deficiencies, leading to a very high rate of compliance.

"Program C1. The City will support the revitalization of older neighborhoods by keeping streets, sidewalks, and other municipal systems in good repair."

The City implements this program on an ongoing basis and has active street maintenance and sidewalk replacement programs. Sidewalk repair is encouraged through a City requirement for a sidewalk inspection (and any necessary repair) prior to the issuance of building permits for major projects.

"Program C2. The City will annually update its Capital Improvements Plan (CIP) to ensure that municipal systems are in good repair."

The CIP is updated annually to ensure that municipal systems are maintained in excellent condition.

"Program C3. The City will conduct a study of funding sources. By April 1992, recommendations to the City Council will be made regarding funding sources that the City should pursue. Applications will be prepared by the City and/or applications will be made available to organizations or individuals depending on the requirements of the program. In addition to programs listed under Goal A, the City will provide information related to the Special User Housing Rehabilitation Program and the Deferred Payment Rehabilitation Loan Program."

The funding study referenced here is the same study referenced under Program A2 (see Page 2-14). Although the study was completed, there were no applications for rehabilitation assistance submitted by the City or other organizations or individuals. No information on the State programs has been requested. Given the large stock of older homes in Piedmont, programs to provide funding to assist lower income or senior households with home rehabilitation remain applicable and should be further explored.

"Program C4. The City will continue to support the provisions of the Uniform Building Code (UBC) and investigate reports of substandard structures."

This Program overlaps Policy C3. The City regularly enforces the UBC and conducts investigations of substandard structures as needed.

Goal D: Government Plans and Ordinances

Goal D refers to the adequacy of government plans and ordinances with regard to housing development, improvement, and maintenance. The goal remains valid but should be restated to emphasize that its real intent is to reduce constraints to the production and maintenance of housing. Specific policies and programs in the 1992 Element are assessed below.

"Policy D1. Update local ordinances according to State law, including the Subdivision Ordinance, the Zoning Ordinance and any others that may apply."

The City Code, which includes the Zoning and Subdivision Ordinances, is updated as necessary in response to changes in State law. This policy is implemented on an ongoing basis. A zoning amendment is needed to comply with State law regarding density bonuses.

"Policy D2. As required by State law, grant residential density bonuses or other incentives for projects that reserve units for very low and low income households."

The City has received no requests for density bonuses or other incentives, nor has it received proposals for projects which reserve units for very low and low income households. The need for a density bonus program remains relevant.

"Policy D3. Allow using original materials and original methods as of date of construction in rehabilitation efforts, unless a health or safety hazard would occur, as consistent with state housing law (Health and Safety Code 17958.8)."

The City implements this policy on an ongoing basis. The Piedmont Residential Design Review Guidelines specifically promote the use of original materials and original methods of construction. Such construction is permitted when it does not adversely impact public health or safety.

"Policy D4. Promote the expeditious processing and approval of residential projects that meet General Plan policies and City regulatory requirements."

The City has been successfully implementing this policy. All applications are processed in accordance with the Permit Streamlining Act. New provisions for expedited processing of variances and design review were adopted in March 2000.

"Policy D5. Ensure that the City's policies, regulations, and procedures do not add unnecessarily to the costs of producing housing while assuring the attainment of other City objectives."

Piedmont's fees for building permits, variances, and design review are relatively low compared to other Bay Area communities. Because the City is built out, it does not collect impact fees for infrastructure. Since the number of new homes built in the City each year is very small, individual homes may take longer to approve in Piedmont than they might in a City with a large amount of vacant land. Each new home is subject to a fairly high level of review by the Planning Commission. This is necessary in part because the vacant lots tend to be difficult to develop due to physical constraints such as steep slopes. It also helps ensure that the home fits within the context of the surrounding Piedmont neighborhood. It does not constitute an "unnecessary" cost or other burden.

"Policy D6. Ensure consistency and feasibility of City plans, programs, and ordinances."

The City regularly evaluates its plans, programs, ordinances, and operating practices to ensure they are consistent and feasible. In 1994, the City retained a consultant to conduct a comprehensive review of Planning and Building practices. A number of specific recommendations (such as the initiation of a permit tracking system) were made and implemented.

"Program D1. The City will amend their (sic) Subdivision Ordinance and Zoning Ordinance to comply with the State Subdivision Map Act. At a minimum the amendments will include provisions for Procedures for Condominium Conversion, Certificates of Compliance, additional regulations on Lot Line Adjustments, and a Tentative Map Ordinance."

The City has adopted a condominium conversion ordinance that effectively preserves affordable rental housing by prohibiting any conversion of rental housing to condominiums. The City has not adopted procedures for Certificates of Compliance, additional regulations for lot line adjustments, or a Tentative Map Ordinance.

"Program D2. The City will create a separate implementing ordinance or amend the Zoning Ordinance to permit the granting of residential density bonuses or other incentives for very low and/or low income developments in order to comply with Government Code Sections 65919 and 65917."

The City has not created ordinance provisions for density bonuses, largely because there is no vacant land to which such provisions would apply. However, the PG&E building on Linda Avenue may become available for reuse in the coming years. A density bonus ordinance could allow the development of this site with ten units, rather than the eight permitted by current zoning. Therefore, this program remains valid and should be carried forward.

Other incentives for very low and/or low income developments created by the City during the last ten years include the Government Code CUP Second Unit program (see P.2-9). This program resulted in the creation of 34 new units, most of which meet affordability criteria for low or moderate income households.

"Program D3. The City building inspector will inspect rehabilitation plans and allow the use of original materials and methods of construction unless a health or safety hazard would occur, as consistent with state housing law (Health and Safety Code 17958.8)."

The City encourages the use of original materials for housing rehabilitation projects and regularly waives design review requirements for "as is" replacement projects.

"Program D4. The City will continue to provide prompt processing schedules for residential applications."

The City rigorously enforces provisions of the Permit Streamlining Act and has been pro-active in streamlining the permitting process for applicants. Major changes include raising the dollar value of projects requiring design review approval by the Planning Commission from $10,000 to $75,000, adding contract staff during peak demand periods, and increasing the frequency of Planning Commission meetings as needed (rather than deferring applications to future meetings). In March 2000, the City initiated a new Administrative Design Review process for certain types of projects, reducing the timeframe for review and eliminating the fee requirement.

"Program D5. The City will ensure that some processing fees are waived for housing projects within "affordable" guidelines, or ensure that fees may be paid upon certification of occupancy rather than building permit issuance."

The City has not received applications for affordable housing projects per se, and therefore has not waived fees. In the years following the Loma Prieta Earthquake (1989-1991), however, the City waived certain fee requirements for structural rehabilitation and earthquake repair, providing financial relief to impacted homeowners. Moreover, during 1994 and 1995 the City waived the off-street parking requirement for second units meeting certain criteria, improving the affordability of these units and providing a strong incentive for their construction.

"Program D6. The City will conduct a study of all existing multi-family developments to ascertain existing densities. Recommendations related to density standards for future multi-family units will be made. The City will seriously consider revising the Zoning Code to allow multiple dwellings to be developed at one dwelling unit per less than 2,000 SF of lot area."

The City has inventoried its multiple family dwellings and ascertained that existing densities are somewhat higher than the limits set by zoning. Reducing the 2,000 square foot (of lot area per unit) requirement would have little benefit, however, because there are no vacant multi-family sites. In the event multi-family property becomes available for redevelopment, a density bonus ordinance would be a more effective way to achieve greater densities and affordability than a lower minimum square footage.

"Program D7. The City will seriously consider revising the Zoning Ordinance related to multi-family uses to allow a maximum height of 50 feet instead of 35 feet for low and moderate income developments."

The City has not pursued this program, largely due to the absence of vacant sites on which the revised standards would apply. The only multi-family property with development potential is the PG&E site on Linda Avenue. In the event this site is redeveloped, the 35 foot height limit is not expected to constrain the number of units that may be constructed.

"Program D8. The City will seriously consider revising the Zoning Ordinance to make multi-family uses permitted in the Multi-Family Zone."

The City has not pursued this program, largely due to the absence of vacant sites on which the revised requirements would apply. The Use

Permit requirement has not been an impediment to multi-family construction in the City. In fact, such a requirement could actually help ensure that affordable housing is included in future multi-family projects, since inclusion of affordable units could be a condition of approval.

> *"Program D9. The City will provide for consistency between the General Plan elements and between the General Plan and Zoning Ordinance through amendments. All zoning amendments suggested in the Housing Element are designed to provide further incentives for housing development. Residential uses shall not be permitted on City-owned property designated in the General Plan for Open Space or Public/Quasi-Public uses. Policies and programs from the Land Use Element which have been determined to be infeasible and not based on sound planning and environmental principles will be removed, including the preparation of a Planned Unit Development Ordinance and the possibility of housing on Blair Park or the Corporation Yard."*

The City updated its General Plan in 1996. References to Blair Park and the Corporation Yard as housing sites were removed at the time. The City has not pursued a Planned Unit Development Ordinance since the single project to which it would apply (on Maxwelton Road) was deemed infeasible. Consistency between the General Plan Elements and between the General Plan and the Zoning Ordinance remains a valid objective and should continue to be pursued.

Goal E: Housing Opportunity

Goal E addresses equal opportunity and access to housing. The City has pursued this goal by enforcing state and federal laws regarding housing discrimination. The goal remains valid and will continue to be included in the new Element. Specific policies and programs in the 1992 Element are discussed below.

> *"Policy E1. Promote the enforcement activities of the State Fair Employment and Housing Commission."*

The City promotes the enforcement of fair employment and housing laws on an ongoing basis. This policy is being implemented and will continue to be implemented in the future.

"Policy E2. Refer any equal housing opportunity complaints to the group contracted by the Alameda County CDBG program."

This policy should be restated as an implementation program and should be clarified to reference the City's Community Relations Committee. This policy is being implemented on an ongoing basis.

"Program E1. The City will provide, or support the County in providing, educational services to the public and housing industry regarding their rights and responsibilities. Educational services shall include public service announcements in the local newspaper and dissemination of brochures."

The City implements this program on an ongoing basis. Pamphlets on fair housing are available at the Planning and Building Counter.

"Program E2. The City will refer any equal housing opportunity complaints to the appropriate group contracted by the Alameda County CDBG program."

This program repeats Policy E2. As mentioned above, it is implemented on an ongoing basis.

Goal F: Energy Efficiency

The final goal in the 1992 Element related to energy efficiency. The goal was to promote the use of energy conserving features in the design of new housing. The City has pursued this goal largely by enforcing the California Energy Commission's Title 24 program. It has also supported the weatherization of Piedmont residences, the installation of energy-saving windows and furnaces, and the upgrading of appliances and lighting. Specific policies and programs are noted below.

"Policy F1. Promote the use of energy conservation features in the design of all new residential structures."

This policy is being implemented through Title 24. As currently worded, it applies to new construction only. It should be expanded (or another policy added) to address energy efficiency in existing residences. The City Council recently adopted an energy-efficient window policy. Policies and programs addressing other aspects of energy conservation, including the use of solar panels, should be considered.

"Program F1. The City will enforce existing State residential energy conservation standards."

The Title 24 Program is ongoing and will be continued in the future.

"Program F2. The City will continue to implement its procedures for review of energy conservation standards."

The intent of this program should be more clearly stated, as the City does not have a formal procedure for the review of energy conservation standards. The real intent of this program is to ensure that local conservation standards are regularly updated and that conservation issues are considered when new projects are proposed.

Government Code Sec. 65588 (a)(1):

The Housing Element shall evaluate... "The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal."

Appropriateness of the 1992 Goals, Policies, and Programs for the 2001 Housing Element

Many of the goals, policies, and programs in the 1992 Element will be carried forward into the new Element. A substantial amount of editing is recommended to eliminate redundancies, more clearly differentiate policies and programs, and delete policies and programs which are infeasible or have been fully implemented. Major reformatting is proposed so that the City's progress toward implementation can be more easily measured. There are also a number of additional topics that should be considered in the Element, particularly related to the production of second units, housing assistance for seniors, the subdivision of large lots, and the conservation and rehabilitation of small Piedmont homes.

CHAPTER 3

DEMOGRAPHICS AND HOUSING NEEDS

3.1 INTRODUCTION

This chapter of the Housing Element profiles demographic and housing conditions in Piedmont in order to assess the City's future housing needs. Pursuant to the Government Code, data on population, household characteristics, income and employment, special needs groups, housing stock characteristics, building condition, and housing value is presented. Where possible, Year 2000 Census data has been used to provide an up-to-date picture of local conditions. In some cases, 2000 Census data has not yet been released and 1990 Census data is cited. Other sources, including data collected by the City of Piedmont, are referenced as appropriate in the text.

Following the demographic and housing analysis, the Chapter provides an assessment of housing needs in Piedmont for the 1999-2006 period. This assessment incorporates the regional "fair share" allocation assigned to the City by ABAG, along with general observations about housing needs and opportunities in the City.

3.2 POPULATION TRENDS

Government Code Sec. 65583 (a)(1):

The Housing Element shall contain an... "An analysis of population and employment trends...

The City of Piedmont was incorporated in 1907. At the time, the population was a little more than 100 families. By 1910, Piedmont's population had grown to 1,719. The rapid increase continued through 1930 when the population reached 9,333. Population growth slowed considerably after 1930 as the supply of vacant land in the City dwindled.

Between 1930 and 1960, the City's population increased by another 20 %, peaking at 11,117 in 1960. Between 1960 and 1980, Piedmont's population actually declined by almost 6 % as households became smaller and the pace of new construction slowed. Population increased by 4 % during the 1980s and 1990s, largely due to increases in household size. The 2000 Census reported the City's population at 10,952.

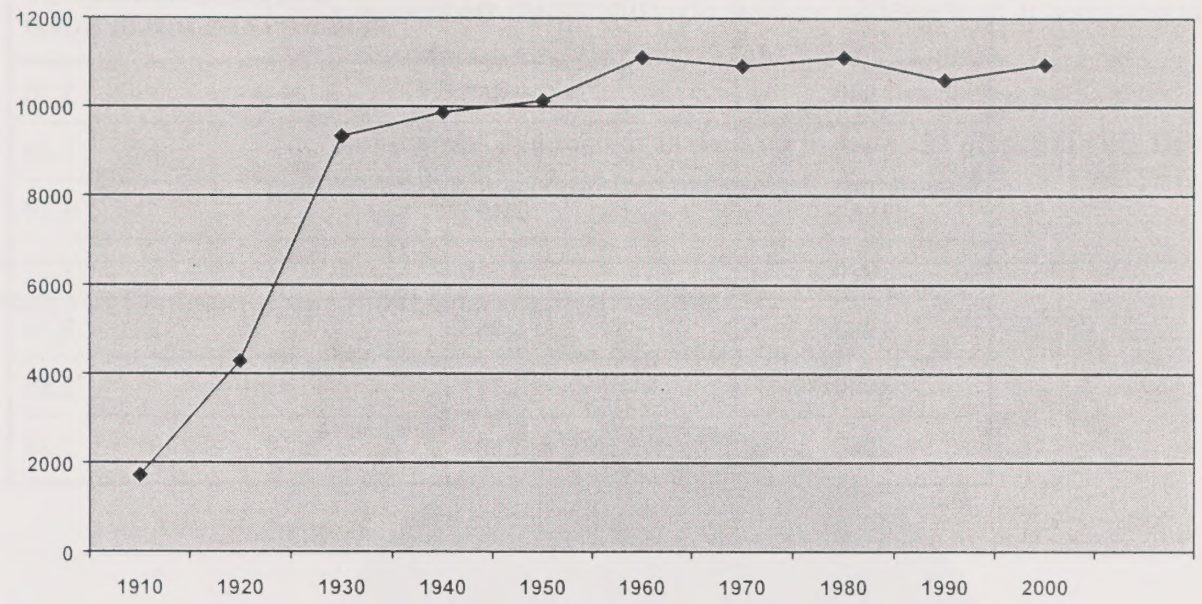
Table 3-1 and Chart 3-1 illustrate population trends in the City.

Table 3-1: City of Piedmont Population, 1910-2000

CENSUS	POPULATION	NET CHANGE	PERCENTAGE CHANGE
1910	1,719	-	-
1920	4,282	2,563	149.1%
1930	9,333	5,051	118.0%
1940	9,866	533	5.7%
1950	10,132	266	2.7%
1960	11,117	985	9.7%
1970	10,917	-200	-1.8%
1980	10,498	-419	-3.8%
1990	10,602	104	1.0%
2000	10,952	350	3.3%

Source: US Census of Population

Chart 3-1: City of Piedmont Population, 1910-2000



Source: US Census of Population

3.3 HOUSEHOLD CHARACTERISTICS

Government Code Sec. 65583 (a)(2):

The Housing Element shall contain...
"An analysis and documentation of household characteristics, including level of payment compared to ability to pay, household characteristics, including overcrowding, and housing stock condition."

The 2000 Census reported that 10,950 of Piedmont's 10,952 residents lived in "households." The remaining two residents were reported as living in "group quarters." The 2000 Census counted 3,804 households in Piedmont.

Household Size

Table 3-2 tracks the number of households between 1940 and 2000. Although population was relatively stable during this time period, increasing just 11 %, the number of households increased by 43 %. As Table 2-2 indicates, average household size declined substantially between 1940 and 1980. In 1940, on average there were 3.70 residents per Piedmont household. By 1980, that figure had dropped to 2.79.

Table 3-2: Total Households and Household Size in Piedmont, 1940-2000

CENSUS	HOUSEHOLDS	AVERAGE NUMBER OF PERSONS PER HOUSEHOLD
1940	2,666	3.70
1950	3,079	3.29
1960	3,495	3.18
1970	3,556	3.07
1980	3,762	2.79
1990	3,733	2.82
2000	3,804	2.88

Source: US Census of Population

Average household size has been increasing since 1980. The 2000 Census reported an average household size of 2.88. This compares to an average of 2.71 for Alameda County.

Types of Households

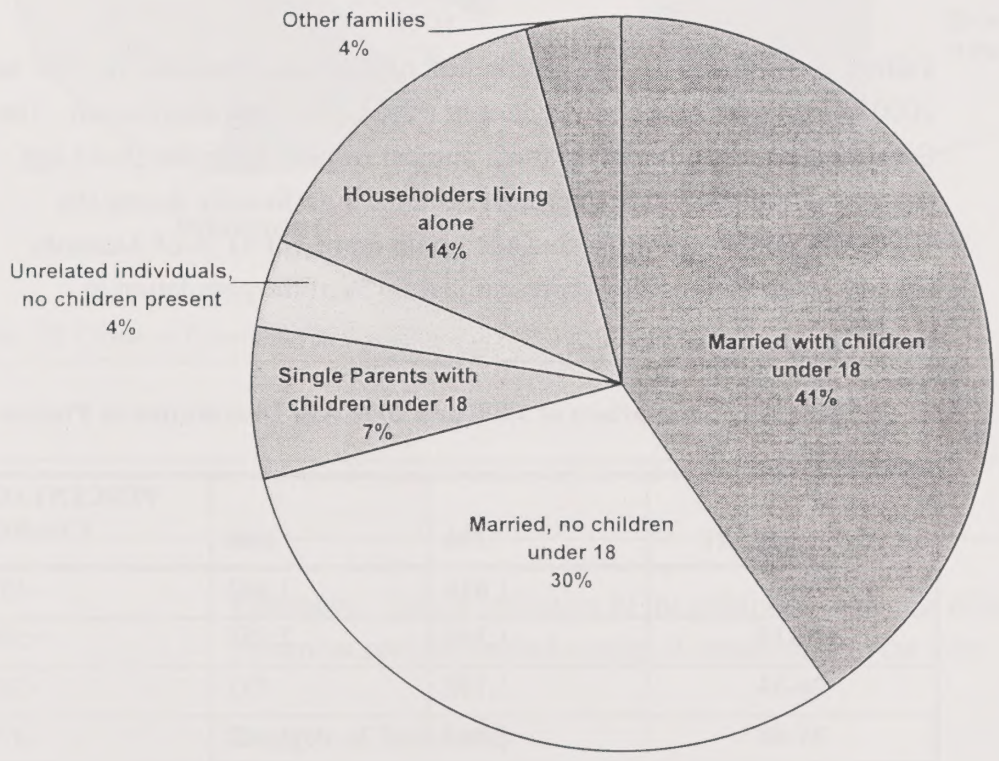
The Census classifies households as either "family" or "non-family." The Census defines a "family" as "a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption." "Non-family" households include persons living alone and unrelated individuals sharing a home, with no children present.

The 2000 Census reported that 82 % of all Piedmont households (3,105 households) were "families", while 18 % (699 households) were "non-families." The percentage of "families" is substantially higher than in Alameda County as a whole, where the figure is about 65 %.

Chart 3-2 provides additional detail on the types of households in Piedmont. Some 1,544 households—or about 40 % of the City's total—consist of married couples with children under 18. About 6 % of the City's households consist of single mothers with children at home and just over 1 % consists of single fathers with children at home.

The "non-family" households in the City include 551 persons living alone and 148 households comprised of unrelated individuals.

Chart 3-2: Piedmont Household Characteristics, 2000



Source: US Census of Population

Age

Piedmont has the highest median age of any city in Alameda County. In 2000, the Census reported the median age at 43.7, compared to a County median of 34.5. The median age has increased since 1990, when it was 41.6.

Piedmont's high median age is primarily due to a large concentration of "baby boomer" households in the City. The 45 to 54 year-old age group increased in number from 1,676 to 2,477 (48 %) during the 1990s. A baby boom "echo" was also evident during the decade, as the children of baby boomers reached their teens. The number of Piedmonters aged 10 to 19 increased by 50 % during the 1990s, from 1,368 to 2,055.

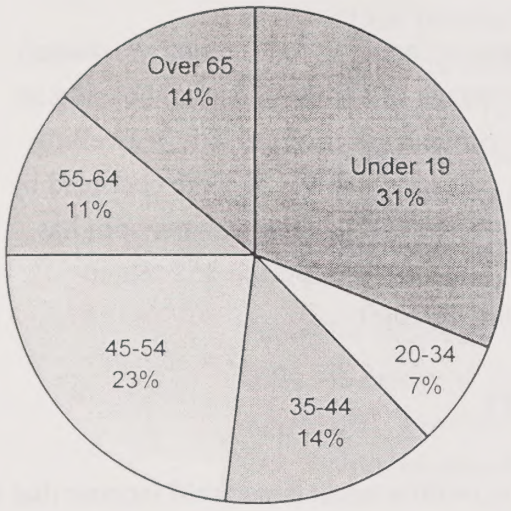
Table 3-3 compares the age distribution of Piedmont residents in 1990 and 2000. Chart 3-3 illustrates the current (Year 2000) age distribution. The City has a disproportionately small number of persons in the 20-44 age cohorts. Population in both groups declined significantly during the 1990s. Whereas persons in this age group represent 41 % of Alameda County's population, they represent just 20 % of the population in

Table 3-3: Comparison of 1990 and 2000 Age Distribution in Piedmont

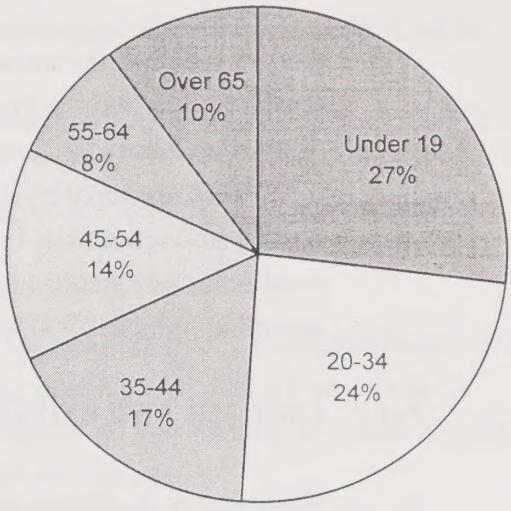
AGE COHORT	1990	2000	PERCENTAGE CHANGE
0-9	1,656	1,463	-12%
10-19	1,368	2,055	+50%
20-34	1,192	731	-34%
35-44	2,061	1,502	-27%
45-54	1,676	2,477	+48%
55-64	1,102	1,243	+13%
65-74	884	759	-14%
75-84	538	526	-2%
85 or over	125	196	+57%

Source: US Census of Population

Chart 3-3: Age Distribution of Residents in Piedmont and Alameda County, 2000



Piedmont



Alameda County

Source: US Census of Population

Piedmont. This is indicative of the relatively high cost of housing in Piedmont and the limited supply of rental units in the City.

Length of Residency

Length of residency data provides some indication of the stability of a community. The 2000 Census indicated that 2,239 of the City's households (59 %) had lived in their place of residence for 11 or more years. This compares to a countywide average of 33 %. Only 28 % of Piedmonters had lived in their place of residence for five years or less, compared to 52 % countywide.

As one would expect, the turnover rate was much higher for renters than for owners. About 75 % of Piedmont's renters had been in their place of residence for five years or less.

Tenure

Tenure refers to the ownership status of housing (e.g., rental vs. owner). Piedmont has had the highest percentage of owner-occupied housing in Alameda County for many years. Some 89.4 % of the City's dwelling units were occupied by owners in 2000 and just 9.2 % were occupied by renters (the remaining 1.4 % were vacant). The renter/owner split has been relatively stable since 1990. The Census reported 357 renter-occupied units in 1990 and 355 units in 2000.

3.4 INCOME AND EMPLOYMENT

Piedmont is an affluent community, with a mean household income that is substantially higher than the County as a whole.[8] In 2000, the US Census reported that the mean household income in the City was $183,781. This is 154 % higher than the Year 2000 estimate for Alameda County.

Despite the relative affluence of Piedmont residents, there are households in the City earning substantially less than the Citywide mean. The 2000 Census reported that 221 Piedmont residents (2 % of the City's population) were below the United States poverty level. This total included 86 children, 111 adults aged 18 to 65, and 24 persons over age 65.

The 2000 Census further estimated that there were 564 Piedmont households (15 % of the City's total) with an income below $50,000 a year. This is the approximate amount used to define "low income" households. Many of these households are headed by senior citizens.

The thresholds that define "low" and "very low" income households are updated annually by the State of California, in accordance with procedures established by the U.S. Department of Housing and Urban Development (HUD). These thresholds vary depending on the number of persons per

[8] *All references to "mean" (income, home value, etc.) in this document refer to the arithmetic mean average.*

household, since different sized households have different spending needs. HUD uses the following categories:

- "Very Low Income" households earn less than 50 % of the areawide median.
- "Low Income" households earn between 50 and 80 % of the areawide median.
- "Moderate Income" households earn between 80 and 120 % of the areawide median.
- "Above Moderate Income" households earn more than 120 % of the areawide median.

Table 3-4 shows the income ranges for Alameda County effective in Year 2001. A family of four earning less than $53,850 a year would be considered "low income." A family of four earning less than $35,800 a year would be considered "very low income."

Table 3-4: HUD Annual Income Limits for Alameda County, Year 2001

Income Category	NUMBER OF PERSONS IN FAMILY							
	1	2	3	4	5	6	7	8
Very Low	<$25,050	<$28,650	<$32,200	<$35,800	<$38,650	<$41,550	<$44,400	<$47,250
Low	$25,051-$37,700	$28,651-$43,050	$32,201-$48,450	$35,801-$53,850	$38,651-$58,150	$41,551-$62,450	$44,401-$66,750	$47,251-$71,050
Moderate	$37,701-$60,120	$43,051-$68,760	$48,451-$77,280	$53,851-$85,920	$58,151-$92,760	$62,451-$99,720	$66,751-$106,560	$71,051-$113,400
Above Moderate	>$60,121	>$68,761	>$77,281	>$85,921	>$92,761	>$99,721	>$106,561	>$113,401

Source: California Department of Housing and Community Development, 2001

Ability to Pay

Among the data collected by the Census is the percentage of household income that is spent on housing costs, including utilities. A household that spends more than 30 % of its gross income on housing is said to be "overpaying." This 30 % threshold is used as the basis for a number of federal housing assistance programs. Households spending more than 50 % of their gross income on housing are said to be "severely overpaying."

Overpayment data for the Year 2000 has recently been released by the Census and is shown in Table 3-5. Some 29 % of all owner-occupied Piedmont households (976 households) paid more than 30 % of their income on housing. Among Piedmont renters, 36 % (137 households) paid more than 30 % of their income on housing. These statistics have not changed substantially since 1990, when 28 % of Piedmont's homeowners and 31 % of Piedmont's renters were "overpaying."

As one might expect, the incidence of overpayment was highest among the City's lower income households. Although Year 2000 Census data on overpayment by income group has not yet been released, the 1990 Census data provides an indicator of current conditions. Among the 462 owner-occupied households then reporting incomes of less than $35,000 a year, 205 (44 %) spent more than 30 % of their incomes on housing.

Table 3-5: Percentage of Income Spent on Housing By Piedmont Households, 2000

PERCENTAGE OF INCOME SPENT ON HOUSING	OWNERS	PERCENT OF TOTAL	RENTERS	PERCENT OF TOTAL
Less than 25 %	2,093	62.2	178	50.2
25-29 %	295	8.8	39	11.0
30-34 %	142	4.2	34	9.6
35 % or more	834	24.8	103	29.1
Not computed by Census	0	0	0	0
TOTAL	3,364	100.0	354	100.0

Source: US Census of Population, 2000

Employment

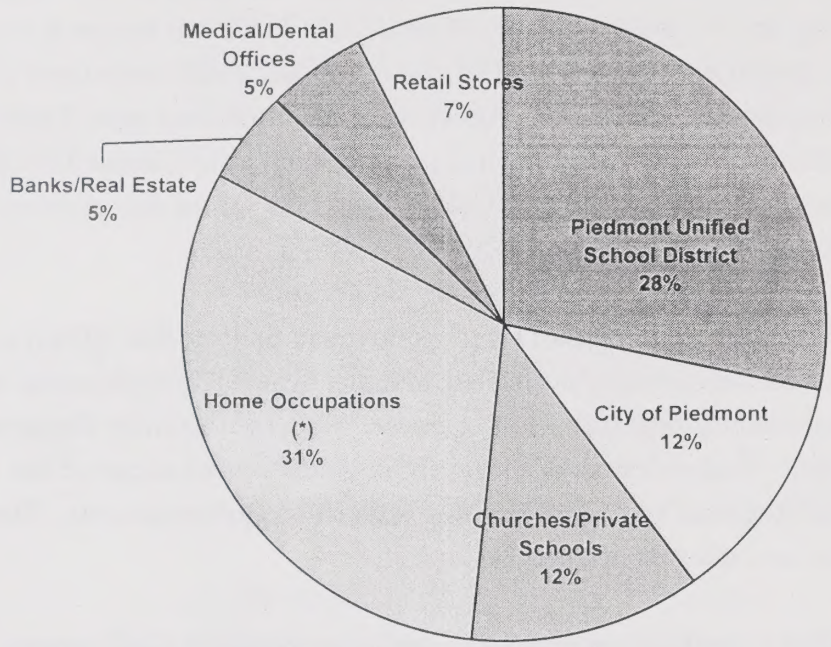
Employment in a community can affect the demand for housing and can influence the type of housing that is needed. This is less true in Piedmont than in larger communities because of the small, residential character of the City and the limited number of local jobs. Piedmont has never been a major employment center. In fact, the City has the smallest ratio of jobs to housing in Alameda County. ABAG estimated that there were 2,060 jobs in Piedmont in 2000, resulting in a jobs-housing ratio of about 0.54. By contrast, the ratio was 1.31 for Oakland and 1.51 for the Bay Area as a whole.

The City's own estimates of local employment indicate that ABAG's figures are substantially overstated, and that the actual jobs-housing ratio in Piedmont is about 0.33. In December, 2000, the Piedmont Department of Public Works conducted a local employment census as part of the ABAG Regional Fair Share Housing Allocation appeals process. The results are indicated in Chart 3-4.

The City's employment census counted approximately 1,262 persons working in Piedmont. The largest employer is the Piedmont Unified School District with 356 employees. The City of Piedmont is the second largest employer with 150 employees. Other employers in the community include five churches, two private schools, three banks, a real estate office, a hardware store, several medical and dental offices, and a handful of retail/service businesses. The City also has issued permits for approximately 200 home occupations, which employ another 200 to 400 persons.

The Census does not provide data on the income characteristics of persons who work in Piedmont but live in other communities. However, it is likely that employee incomes are generally lower than those of most Piedmont households, given the high percentage of public sector jobs in the City. Excluding home occupations, nearly 60 percent of the persons working in Piedmont are employed by the City or the School District. Many public sector or service industry employees without other sources of income have salaries that make living in Piedmont financially challenging.

Chart 3-4: Composition of Employment in Piedmont, 2000



(*) presumes two persons per home occupation

Source: Piedmont Public Works. December, 2000

No significant changes in employment are anticipated in the City during the next 10 years. The City contains no vacant non-residential land and no intensification of existing commercial uses is anticipated. Public sector employment (e.g., City and School District) is projected to be relatively stable. While home occupations are possible; such businesses may not engage "employees" under Chapter 17B of the City Code and therefore would not impact the demand for housing.

The employment characteristics of Piedmont residents also may influence housing demand. In 2000, about half of all Piedmont residents (5,310 out of 10,952) were in the labor force. Some 48 % of these residents were in professional service occupations (including health and legal services). About 17 % were employed in finance, insurance and real estate, and

another 6 % were employed in retail trade. Relative to other communities in the region, the City has a high percentage of residents in managerial positions. The 1990 Census reported that 71 % of the City's employed residents were classified as managers or professional specialists.

Many Piedmont households, including those with children, have both parents in the work force. In 1990, approximately 57 % of the married couple households with children had two working parents. This suggests a potentially large population of "latch key" children and a strong demand for after school child care and related services.

3.5 SPECIAL HOUSING NEEDS

Government Code Sec. 65583 (a)(6):

The Housing Element shall contain an... "Analysis of any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, families with female heads of household, and families and persons in need of emergency shelter."

Several types of households have been identified by the State of California as having special housing needs. Such households may have a harder time than most finding suitable housing within the community. Special needs populations in the State include seniors, persons with disabilities, large low-income families, single mothers, farmworkers, and the homeless. The Census provides some indication of the presence of such groups within Piedmont. Because Year 2000 data has not yet been released, and because the Census may not represent the complete picture, additional data and evidence are provided below.

Seniors

As mentioned earlier in this Chapter, about 14 % of the City's residents are 65 or older. The 1990 Census indicated that most Piedmont seniors were well established financially, with 51 % reporting annual incomes of over $50,000 (in 1990 dollars). However, 22 % of the City's senior households reported an annual income of less than $25,000. Some of these residents may find it difficult to make monthly mortgage (or rent) payments on fixed or limited incomes. Others may find the day-to-day costs of home maintenance and improvement to be prohibitively expensive.

In May, 2000, the AARP (formerly known as American Association of Retired Persons) published the findings of a national survey on housing conditions and issues among America's seniors. The Report, entitled

Fixing to Stay, presents a number of conclusions that are applicable to Piedmont. Among these conclusions are:

- Approximately 89 % of the respondents (aged 55 or older) strongly agree or somewhat agree that they would like to remain in their current residence as long as possible. This figure has increased from 84 % in 1992.

- Most respondents (82 %) would prefer not to move from their current home in the event they are unable to live independently. The percentage of respondents who indicated that they would prefer to move to a care facility or a relatives home was relatively small (9 % and 4 % respectively)

- 8 % of the respondents indicated that they have trouble getting around their home. Difficulty climbing stairs was the most frequently mentioned problem.

- Some 86 % of the survey respondents indicated that they have made at least one simple change to their home to make it easier to live there. Typical improvements included night lighting, non-skid strips in the bathtub, and higher wattage light bulbs. About 70 % of the survey respondents have made more substantial changes, such as additional handrails or grab bars in the bathrooms.

- Among those respondents who have not modified their home, 37 % indicated they have not done so because they were unable to do the work themselves while 36 % indicated they could not afford the changes.

The findings suggest that there may be similar strong demand for such improvements among Piedmont's senior households. In fact, the City receives a relatively large number of building permit applications (for ramps, grab-bars, handrails, etc.) to accommodate homeowners who wish to "age in place." The City's demographics suggest that the demand for such improvements will be even greater in the future, as the first wave of baby boomers approaches retirement age.

Persons with Disabilities

Although specific data on the number of disabled residents is not available, the U.S. Census provides a number of indicators. The 2000 Census identified 874 Piedmont residents over age 20 with a disability or mobility limitation. About 51 % of those with disabilities or mobility limitations are age 65 or over. This represents approximately 8% of the City's total population, and about a third of the City's senior residents.

California Senate Bill 520 (SB 520), passed in October 2001, requires local housing elements to evaluate constraints for persons with disabilities and develop programs which accommodate the housing needs of the disabled. While the City of Piedmont has not developed formal disabled housing programs, it has taken a number of steps to remove barriers to mobility in the community. The most proactive of these steps has been implementation of the ADA (Americans With Disabilities Act). During the past few years, most publicly-owned facilities in the City (including City Hall) have been retrofitted so that they are fully accessible to disabled residents.

As a small community, Piedmont's planning and building functions are personalized and customer-focused. Requests to modify homes to meet the needs of disabled residents are handled on a case by case basis, with staff working closely with applicants to accommodate their needs. The City routinely issues building permits for wheelchair ramps, wheelchair lifts, elevators, and bathroom grab bars. There are no restrictions on lowered countertops, widened doorways, adjustable showerheads, or other adaptations which meet the needs of those with mobility limitations. The City has relaxed design review requirements for temporary exterior wheelchair ramps and is considering adopting an expedited design review process for permanent wheelchair ramps. The City Council has the authority and discretion to grant fee waivers for such improvements.

There are no requirements in the Piedmont Zoning Ordinance which conflict with the ADA, nor has the City adopted any amendments to the Uniform Building Code which conflict with the ADA. The City fully enforces State Title 24 provisions, which ensure access for persons with disabilities. Piedmont has not adopted reduced parking requirements for disabled residents, primarily because there are no housing units in the City

specifically reserved for persons with disabilities. The Planning Commission has the authority to grant parking variances and would consider such variances if housing for the disabled were proposed.

As required by the Fair Housing Act, group homes of 6 persons or less are permitted in the City's residential districts. The City's Zoning Ordinance does not specifically address the siting of such homes, and no local standards or restrictions have been developed. There are no standards limiting the number of unrelated adults in a home, and there are no minimum separation requirements for group homes.

Large Low Income Families

Large families are defined by the U.S. Census as having five persons or more. In Alameda County, such families would be classified as "low income" if their total household income for the year 2000 was less than $54,200.

Year 2000 Census data on large families has not yet been released. In 1990, there were 440 large family households in Piedmont, representing 11 % of the City's total households. Only 93 of these households contained six persons or more. Among the 440 households, 52 (12 %) were renters and the remainder were owners.

The income characteristics of the City's large family households are not specifically reported by the Census. The relatively high cost of housing in Piedmont suggests that most large families in the City are above moderate income.

Single-Parent Households

Single parent households may have a difficult time finding suitable housing in the Bay Area due to child care costs and responsibilities, and limited income-earning potential (e.g., only one parent working). The 2000 Census reported 248 single parent households in Piedmont, including 200 female-headed households and 48 male-headed households.

Year 2000 Census data on the income earning characteristics of single parent households has not yet been released. However, the 1990 Census

found that Piedmont's single parents were generally above moderate income. The 1990 Census reported that the mean income of female householders with children and no husband present was $90,993. This contrasts with the rest of the County and the State, where single mothers are often low or very low income.

Farmworkers

The City of Piedmont is entirely urbanized and is not proximate to agricultural land. No farmworkers are known to live in the City.

Homeless Persons

Homelessness has become a serious issue in the Bay Area due to the limited supply of low-cost housing in the region and reductions in social service and mental health programs. The homeless include persons living on the street, in emergency shelters, and in parks or public buildings, as well as those staying with families or friends because they have no place else to go. In addition to basic shelter, other services and facilities may be needed to address homelessness. These range from transitional housing to employment counseling and health services.

The State Government Code requires the Housing Element to include an analysis of the needs of families and persons in the community who are in need of emergency shelter. Accordingly, the City of Piedmont included such an analysis as part of the Housing Element update. The City's Police, Fire, Parks, and Public Works Departments were contacted, and the 1997 *Alameda County Homeless Continuum of Care Plan* was consulted.

Interviews with the City's Police and Fire Chiefs, and the Directors of Public Works and Parks indicated that there is no homeless population in Piedmont. The *Alameda County Homeless Continuum of Care Plan* includes comprehensive survey data listing the cities in which homeless persons have lived during the past six years. The data indicates a homeless population in every city in Alameda County except Piedmont. The Plan also lists the cities in which the surveyed individuals most recently became homeless. Again, every city in the County is listed except Piedmont. The Plan further includes data on the preferred choice

of residence for homeless individuals; every city in the County except Piedmont appears on the list.

Despite the absence of a visible homeless population, Piedmont is located in a dense urban area where homelessness is recognized to be as a significant issue. The County Continuum of Care program indicated that there were 6,500 homeless persons in northertn Alameda County alone. The regional nature of the problem means that each community in the County is obligated to participate in developing solutions. At the present time, the Piedmont zoning ordinance does not permit homeless shelters or transitional housing. A proposed action program in this Housing Element would make such uses conditionally permitted (e.g., subject to a public hearing and mandatory findings) in Zone B, the Public Facilities zoning district.

3.6 HOUSING CHARACTERISTICS

Number of Units

The 2000 Census reported that Piedmont had 3,859 housing units. This is an increase of just 11 units since 1990. The City's own records indicate that 19 new single family homes were built in Piedmont during the 1990s, including six which replaced existing homes (e.g., a net gain of 13 units). The City's records further indicate that 45 new second units were created during the decade, which would bring the total number of units to 3,906 (assuming the 1990 figure is correct). The discrepancy between the City's figures and the U.S. Census may be attributed to sampling errors by the Census, the manner in which Census forms were completed, and the way in which homeowners reported second units. The City's figure is presumed to be more accurate.

Table 3-6 provides U.S. Census data on housing units from 1940 to 2000. The data parallels the household data presented in Table 3-2. The Table reflects the fact that almost all of the City's vacant land was developed by 1980, resulting in a very slow growth rate during the last 20 years.

Table 3-6: Number of Housing Units in Piedmont, 1940-2000

YEAR	HOUSING UNITS	PERCENTAGE CHANGE
1940	2,815	--
1950	3,142	11.6
1960	3,649	16.1
1970	3,624	-0.7
1980	3,837	5.9
1990	3,848	0.3
2000	3,859	0.3

Source: US Census of Population

Vacancy Characteristics

At the time of the 2000 Census, 55 of Piedmont's dwelling units were vacant. This equates to an overall vacancy rate of just 1.4 %, which is significantly lower than the countywide vacancy rate of 3.1 %.

Not all of the City's vacant units are available for rent or sale. The 2000 Census indicated that Piedmont's vacancies included 13 units that were used for seasonal, recreational, or occasional use. The Census further indicated that the vacancy rate for rental units (including both apartments and houses) was 2.50 %, while the vacancy rate for owner-occupied (e.g., for sale) units was 0.2 %.

Table 3-7 compares the 2000 vacancy rate with the rates reported by previous censuses. Vacancies in Piedmont have historically been very low, averaging about 2 % over the last 30 years. The vacancy rate in 2000 was significantly lower than it was in 1990, indicating a tighter and more competitive housing market.

Table 3-7: Vacancy Characteristics in Piedmont, 1940-2000

YEAR	NUMBER OF VACANT UNITS	VACANCY RATE
1940	149	5.3 %
1950	63	2.0 %
1960	154	4.2 %
1970	68	1.8 %
1980	75	1.9 %
1990	93	2.4 %
2000	55	1.4 %

Source: US Census of Population

Structure Type

Piedmont's housing stock is dominated by single family residences. Table 3-8 provides a breakdown of the types of residential structures in the City, based on California Department of Finance (DOF) data from January 2000.

In 2000, 97 % of the City's dwellings were single family detached homes. A total of 72 units (1.9 %) were reported to be single family attached homes or units in two- to four-unit structure. Since the City has only a few townhome or duplex-type structures, it is assumed that most of these units are actually single family homes with second units.

The DOF reported that Piedmont had 44 dwellings in structures of five units or more, representing just 1 % of the total housing stock. Census data indicates that there are no structures in Piedmont with more than nine units. All multiple dwelling units in Piedmont are rental apartments; the City has no condominiums.

Table 3-8: Composition of Piedmont's Housing Stock, 2000.[9]

UNIT TYPE	NUMBER OF UNITS	PERCENTAGE OF TOTAL
Single Family Detached	3,749	97.0
Single Family Attached	21	0.6
2-4 Unit Structures	51	1.3
Structures of 5 Units of More	44	1.1
Mobile Homes	1	--
TOTAL	**3,866**	**100.0**

Source: California Department of Finance, 2000

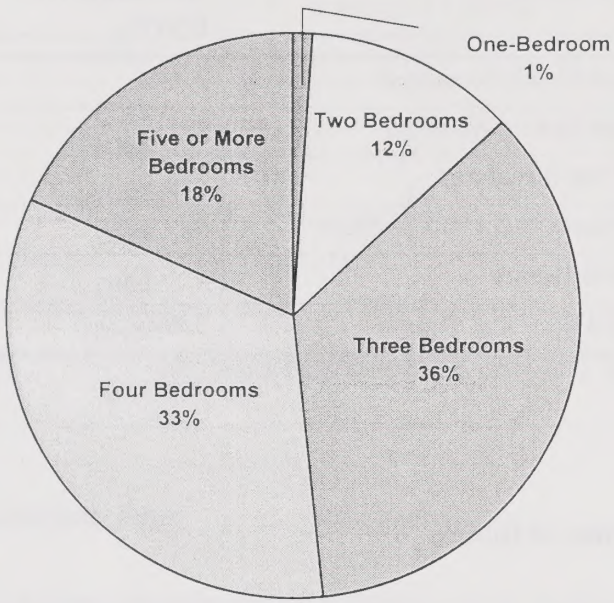
Number of Rooms

Piedmont homes tend to be larger than homes in nearby communities. The 2000 Census reported that the median number of rooms in Piedmont's residences was 7.6. More than 1,400 homes in the City (37 % of the total) had more than nine rooms.

Chart 3-5 illustrates the composition of Piedmont's homes by number of bedrooms as of 1990. City building permit records indicate that this distribution has not changed significantly during the last 10 years, although second units appear to be undercounted. The 1990 Census indicated that 87 % of the City's dwelling units had three bedrooms or more. Only about 1 % of the City's units were identified as one-bedroom dwellings.

[9] *The DOF data is not entirely consistent with the US Census, as it indicates a total of 3,866 units (as opposed to 3,859). The margin of error is very small and can probably be attributed to Census sampling errors.*

Chart 3-5: Composition of Piedmont's Housing Stock by Number of Bedrooms, 1990 (*)



Source: US Census of Population, 1990

(*) Note: Although the City has not conducted its own count of bedrooms, Staff estimates that the actual percentage of one-bedroom units is larger than the Census indicates. The discrepancy is probably due to the way that "bedrooms" are defined by the Piedmont Building Code, and the way that second units are counted by the Census.

Overcrowding

The U.S. Census defines an "overcrowded" housing unit as one with more than one person per room. Given the relatively large size of Piedmont residences, there are very few homes in the City which meet this definition. The 2000 Census identified only 12 overcrowded units in Piedmont, representing less than 0.3 % of the City's housing stock.

3.7 HOUSING CONDITION

Piedmont's housing is in excellent condition. The City has historically had very high levels of reinvestment and home improvement. Although there were only 19 new homes built during the 1990s, there were nearly 12,000 building permits issued. In 2000 alone, the City issued permits for more than $21.6 million in residential improvements. Table 3-9 indicates the number of building permits and City Planning applications (e.g., for variances, design review, etc.) issued each year since 1990. As the Table indicates, a high level of permit activity was sustained throughout the period.

About 70 % of Piedmont's housing stock was built before 1940, one of the highest percentages of "pre-war" housing in the Bay Area. The percentage of pre-war housing is often used as an indicator of the need for housing rehabilitation. However, most pre-war Piedmont homes have been updated and many have been expanded. Fewer than five units are believed to be in dilapidated or uninhabitable condition.

Table 3-9: Building and Planning Permit Applications in Piedmont, 1990-2000

YEAR	BUILDING PERMIT APPLICATIONS	CITY PLANNING APPLICATIONS
1990	1,021	308
1991	1,017	260
1992	985	169
1993	1,023	253
1994	972	271
1995	1,073	158
1996	1,133	126
1997	1,200	214
1998	1,223	432
1999	1,125	477
2000	1,103	367

Source: City of Piedmont, 2001

3.8 HOUSING VALUE

Housing in Piedmont is expensive. The 2000 Census reported the median value of a Piedmont home as almost 800,000. At that time, the City contained only about 90 units (about 2 % of the City's housing stock) with values below the Alameda County median of $303,100. In fact, 20 % of the County's homes valued in excess of $1,000,000 were located in the City of Piedmont, although the City contained less than one percent of the County's housing stock. A review of real estate advertisements for open houses (San Francisco Chronicle, June 2001) indicated 12 properties for sale in Piedmont, ranging from $559,000 to $2,300,000. The mean asking price of these homes was $1,050,000.

Assuming a 20 % downpayment, a 7 % interest rate, and a 30-year fixed rate mortgage, the monthly principal and interest payment on an $800,000 Piedmont home would be $4,258. Adding property taxes and utility expenses would push monthly housing costs to about $5,300. Assuming housing costs represent no more than 30 % of household income, a family would need to earn $212,000 a year to afford such a residence. Although this may be within the reach of many Piedmont households, there are many other Piedmont residents who could not afford to purchase homes in today's market. This is particularly true for young adults and long-time Piedmont renters seeking to purchase homes in the community.

Piedmont rents are also significantly higher than regional averages. This is partially because a majority of the City's rental properties are single family homes, rather than apartments. The 1990 Census reported a mean rent of $1,159 in the City. Approximately 63 % of the City's rentals were more than $1,000 a month, compared to 9 % in Alameda County as a whole.

Rents inflated significantly during the 1990s. Most advertised rental apartments in Piedmont in 2000 were more than $1,000 a month. Advertised rental homes were usually more than $2,000 a month and often more than $3,000 a month. Moreover, the supply of rental units in the City is small, while demand is very high.

3.9 HOUSING AND ENERGY COSTS

Government Code Sec. 65583 (a)(7):

The Housing Element shall contain an... "Analysis of opportunities for energy conservation with respect to residential development."

One way to make housing more affordable is to reduce the percentage of household income spent on natural gas and electricity. These expenses rose considerably in the Bay Area in 2000 and early 2001 as a result of the California energy crisis. Today, energy costs may be a significant part of the household budget for low and moderate income families. Because the State's energy future is uncertain, it is important to look for ways to reduce energy costs.

Piedmont presently enforces the California Energy Commission's Title 24 standards for wall and ceiling insulation, thermal mass, and window to floor area ratios (to reduce heat loss). A report indicating conformance with the energy standards is usually performed by an energy consultant following methods approved by the State. These requirements only apply to new construction and major remodeling. Other homeowners can realize significant cost savings through weatherization, the use of energy-efficient appliances, and the installation of solar heating systems.

3.10 HOUSING NEEDS

Government Code Sec. 65583 (a)(1):

The Housing Element shall contain... "...documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels. These existing and projected needs shall include the locality's share of the regional housing need...."

Population and Employment Projections

The Association of Bay Area Governments (ABAG) indicates an extremely slow rate of population growth in Piedmont during the coming decade, reflecting the fact that the City is fully developed and has almost no vacant land. ABAG's Projections 2000 shows just 10 new households are projected to be added between 2000 and 2005, with another 10 projected between 2005 and 2010.

Employment growth in the City is also expected to be very slow. ABAG projects 60 additional jobs between 2000 and 2005 and 30 jobs between 2005 and 2010. The City anticipates that most of these jobs will be new home occupations.

Fair Share Allocation

As mentioned in Chapter 1, the Government Code requires each community in the region to provide for its "fair share" of the region's housing needs. The "fair share" determinations are made approximately every five years by ABAG. In Spring 2001, the ABAG Executive Board endorsed final fair share allocations for Bay Area cities and Counties for the period January 1,1999-June 30, 2006. The Alameda County allocation was 46,793 units. Piedmont's allocation was 49 units, or about 0.1 % of the County total.

The fair share allocations for each City and County have been stratified by income group. Table 3-10 indicates the distribution for Piedmont.

Credit for Units Added, January 1, 1999 through June 30, 2002

In July, 2002, the City was 3-1/2 years into the 7-1/2 year period covered by the ABAG allocation. It is important to adjust the City's fair share assignment to reflect the units that have been added to the housing stock since January 1, 1999.

Table 3-10: Regional Housing Needs Allocation for Piedmont, January 1, 1999 – June 30, 2006

INCOME GROUP	NUMBER OF UNITS
Very Low	6
Low	4
Moderate	10
Above Moderate	29
TOTAL	**49**

Source: ABAG Regional Housing Needs Allocation, 2000

City planning and building data indicate that two new housing units were added during this period, including one single family residence (73 Fairview) and one second unit (109 Crocker). The single family residence should be credited toward the "above moderate" allocation. The second unit is presumed to be rented at a level that would be considered affordable to a "low" income household and is therefore credited to the "low" allocation.

Thus, the adjusted number of units remaining for the period to 2006 are: six "very low" income, three "low" income, 10 "moderate" income, and 28 "above moderate" income.

Government Code Sec. 65583 (a)(8):

The Housing Element shall contain an... "Analysis of existing housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions."

Protection of "At Risk" Units

The Government Code requires each Housing Element to assess the potential impact of expiring public subsidies on lower income units. Thousands of publicly assisted units in California are eligible to change from low income to market rate housing during the next decade due to the termination of various government subsidy programs.

Piedmont has no state or federally assisted projects and therefore there are no "at risk" units. There are also no units in the City with subsidy contracts, or sale or rental price restrictions (e.g., units produced through "inclusionary" housing programs).

CHAPTER 4

OPPORTUNITIES AND CONSTRAINTS

4.1 INTRODUCTION

This chapter explores the opportunities and constraints to housing production in Piedmont. The "opportunities" discussion focuses on the availability of land on which to meet the ABAG fair share housing allocation. The "constraints" discussion examines the extent to which government regulations, market forces, topography, and other factors drive up the cost of housing in Piedmont or impede the production of affordable units. Where such constraints are identified, the City is required to take action to address or remove them.

4.2 LAND AVAILABILITY

Government Code Sec. 65583 (a)(3):

The Housing Element shall contain...
"An inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public services and facilities to these sites."

Vacant Lots

Table 4-1 presents a list of potential housing sites in Piedmont. These sites are also identified on Figure 4-1. There are 27 sites shown, with the potential to produce 57 units of new housing. The Table includes five vacant lots which have approved single family homes, 21 vacant lots with no pending applications, and the PG&E storage site on Linda Avenue. Each of the 21 lots is presumed to have the potential for two dwellings—a primary residence and a second unit.

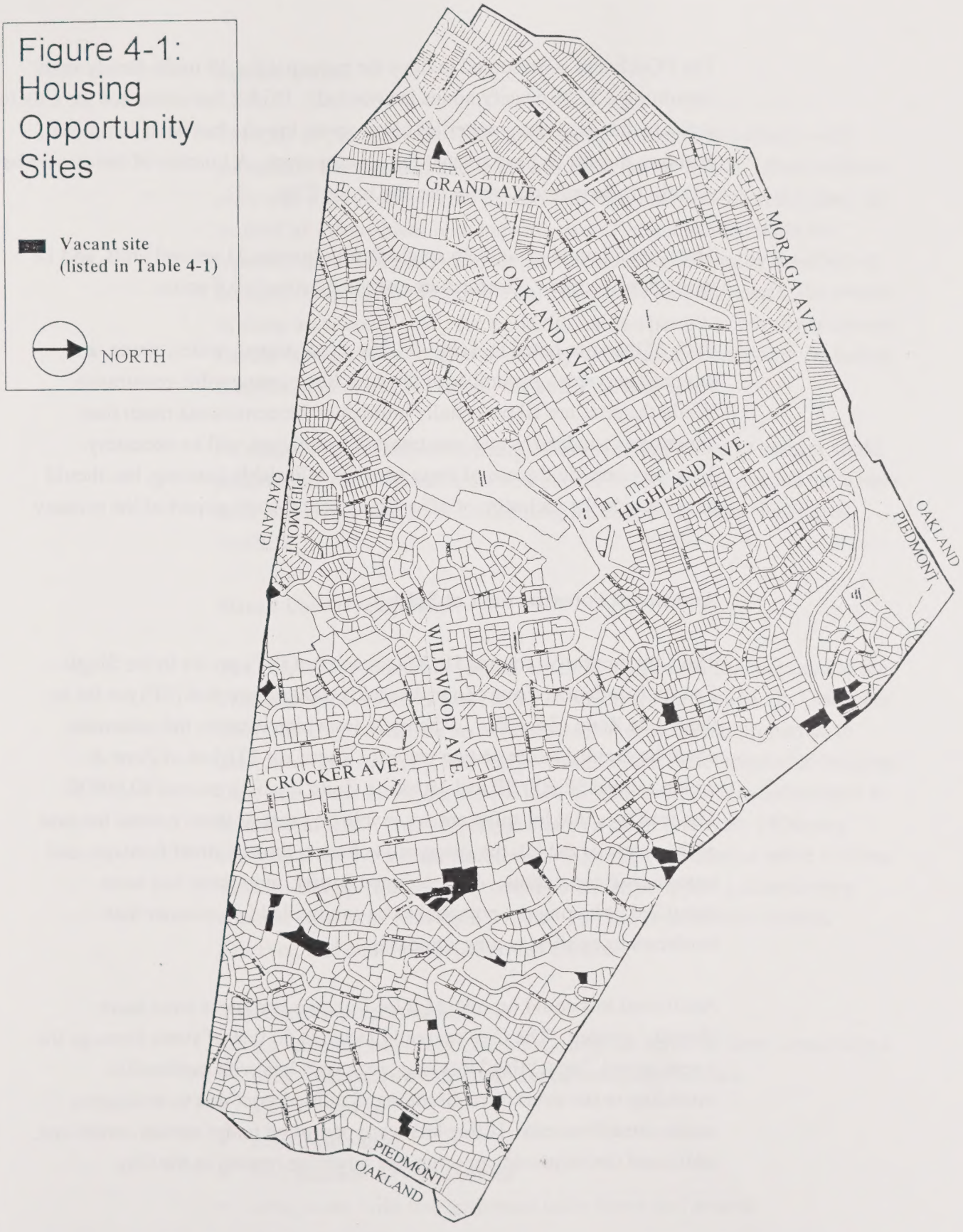
Three of the lots shown would need to be subdivided before development could take place. These lots already contain one home each but are large enough to be split into two lots, each of which would meet all zoning standards.

Table 4-1: Housing Opportunity Sites in Piedmont, 2001-2006

LOCATION	LOT SIZE (SQ FT.)	POTENTIAL UNITS (*)	COMMENTS
Zone A (single family zone, 10,000 SF minimum lot size)			
87 Calvert Ct.	14,396	1	Home approved, not yet built
90 Florada	13,710	2	
1635 Grand	5,821	2	
440 Hampton Rd.	8,814	2	
210 Howard	4,871	2	Previous approval for new home expired
282 Indian – A	11,699	2	
282 Indian – B	13,961	2	
85 Inverleith	10,000	2	Would require lot split on 175 Estates Dr.
92 LaSalle	11,458	2	
94 LaSalle	10,086	2	
139 Lexford	12,250	1	Home approved, not yet built
14 Littlewood	36,270	2	
1 Maxwelton	17,164	1	Home approved, not yet built
3 Maxwelton	20,508	1	Home approved, not yet built
85 Maxwelton	9,810	2	
976 Moraga	10,000	2	Would require lot split on 970 Moraga
1001 Moraga	11,497	2	
195 Oak	13,847	2	Previous approval for new home expired
419 Pacific	10,000	2	Would require lot split on 415 Pacific
29 Tyson Circle	10,500	1	Home approved, not yet built
21 Valant Place	7,300	2	
Zone E (estate zone, 20,000 SF minimum lot size)			
1 Hampton Ct	19,167	2	
3 Hampton Ct	22,615	2	
5 Hampton Ct.	71,873	1	Home approved, not yet built
403 Hampton Rd.	16,800	2	
5 Indian Gulch	11,205	2	
255 Seaview	10,385	2	
Zone C (multi-family zone, 2,000 SF per dwelling)			
408 Linda (PG&E Bldg)	16,553	10	20 % density bonus assumed
TOTAL	432,560 SF (9.9 acres)	57	

Source: City of Piedmont, 2001 *(*) A new primary residence with a second unit is counted as two units.*

Figure 4-1: Housing Opportunity Sites



The PG&E site is presumed to have the potential for 10 multi-family units (assuming a 25 % density bonus is awarded). PG&E has contacted the City to indicate that hazardous materials clean-up on the site has been completed, enabling the site to be marketed for development. A number of developers have already made inquiries about the site to the City.

Thus, the 57 units include 26 single family homes, 21 second units, and 10 multi-family units. The total area of the 27 sites is 9.9 acres.

Each of the sites listed in Table 4-1 has street access, water, sewer, and drainage services. A number of the sites have topographic constraints. While the sites are all potentially buildable, the constraints mean that expensive foundations and construction techniques will be necessary. This may impede the use of these sites for affordable housing, but should not preclude the inclusion of affordable second units as part of the primary residence.

Additional Potential for Lot Splits

The City presently requires 10,000 square feet (SF) per lot in the Single Family Residential Zone (Zone A) and 20,000 square feet (SF) per lot in the Estate Zone (Zone E). In theory, a lot which is twice the minimum could be divided to create two parcels. There are 131 lots in Zone A which exceed 20,000 SF and 19 lots in Zone E which exceed 40,000 SF. The reality is that lot splits are not viable on most of these parcels because of the shape of the lot, the siting of the house, limited street frontage, and topographic constraints. As mentioned earlier, only three lots were identified as having the potential to be subdivided in a manner that conforms to existing zoning standards.

Additional lots could be created if lot frontage variances were more liberally granted. The City presently requires 90 feet of street frontage for a new parcel. New "flag" lots (e.g., rear yard lots with panhandles extending to the street.) are discouraged in Piedmont due to emergency access considerations. If flag lots were permitted under certain conditions, additional development opportunities might be created in the City.

Second Units

The City of Piedmont has 100 "unintended" second units which could potentially be upgraded and made available for habitation. Each of these units was registered with the City in 1987 with the condition that they not be used as independent rental apartments. The unintended units are typically used by their owners or provide housing for family members or domestic employees. Under the current second unit ordinance, the owners of these units could apply for a conditional use permit to use the spaces as rentals. Owners would need to comply with various conditions, including the provision of a non-tandem, off-street parking space.

As mentioned in Chapter 2, many other Piedmont property owners could potentially create second units within their homes or add second units onto their homes. Provision of conforming parking is typically the biggest obstacle.

Mixed Use Development

The City of Piedmont has just 3.7 acres of land zoned for commercial use. This land consists of 19 parcels, all of which are developed. In December 2001, the City conducted an inventory of its commercial properties to determine which, if any, had the potential for redevelopment with housing. Only one of the 19 properties (at 1201 Grand Avenue) was determined to be underutilized. This property contains a small one-story 1920s-era building with two vacant storefronts. Although the interior space is being used for storage, the property could potentially support a second story addition with two multi-family units. Parking is extremely limited, however, and could not be provided on-site.

The other 18 properties include:

- six one- and two-story office buildings on scattered sites, containing a bank, real estate offices, and dental/medical practices
- a food market
- a hardware store
- two gasoline service stations
- a rug store, with two apartment units above and behind
- six single family homes

All of the office buildings are in excellent condition, fully occupied, and represent the maximum feasible development envelopes for their sites. There is one vacant ground-floor retail space for lease at 1335 Grand Avenue, but it is not appropriate for housing. The food market (Bonaire) and hardware store (Ace) are both active businesses and are not well situated for second story housing additions. Redevelopment of the Ace site could occur in theory, but is unlikely during the next five years.

Both of the gasoline stations are in active use. Again, the sites could theoretically be redeveloped, although soil remediation (for underground storage tanks) would probably be required if they were used for housing. These sites are less than 0.2 acres each. The rug store already contains two units above and behind the existing structure. These units were created during the late 1990s through the granting of a variance. The City closely worked with the applicant to facilitate the creation of these units and would be receptive to similar proposals in the future.

The six single family homes (all on Grand Avenue) are all occupied and in excellent condition. Their removal and replacement with new commercial or mixed use structures is very unlikely. However, it might be possible to divide the existing homes into duplexes or tri-plexes. It is also possible that the homes could be internally divided to create ground floor offices with upper story apartments.

Any conversions would require the provision of two off-street parking spaces per dwelling unit. The total number of units that could be created in this manner is estimated to be fewer than ten, based on existing building footprints.

Public Land

There are no surplus public sites in Piedmont available for future development. The City does own 2.14 acres on Maxwelton Road adjacent to Mountain View Cemetery which was identified as a potential housing site in the 1992 Housing Element, but this land is no longer considered a viable development site. As mentioned in Chapter 2, a proposal for 18 units of market-rate senior housing was considered on this site in the mid-1990s but was dropped because of community opposition. Extensive

hillside grading would have been required and the visual and environmental impacts of the project would have been significant.

All other public sites in Piedmont are in active use as City parks, public buildings or maintenance facilities, schools, covered reservoirs, or utilities. The City presently falls short of accepted parkland standards and is unlikely to convert parkland or open space to housing in the future.[10] Similarly, the 6.3 acre part of Mountain View Cemetery within the Piedmont City limits is not considered to be available for future residential uses. The City has no surplus schools or school sites. All school properties are fully utilized for academic or athletic purposes.

Ability to Meet the ABAG Fair Share Housing Assignment Given the Available Land Supply

The City of Piedmont presently has a sufficient supply of land to meet the ABAG Regional Housing Needs Allocation of 49 units. Table 4-2 illustrates the major housing opportunities for each of the income types described in the ABAG allocation.

[10] *Piedmont has 44 acres of parkland, which equates to about 4 acres per 1,000 residents. Although there is no formally recommended standard, the State permits cities to levy impact fees based on a standard of 5 acres per 1,000 residents. National Recreation and Park Association standards are between 5 and 10 acres per 1,000.*

Table 4-2: Piedmont Housing Opportunities by Income Category, 2002-2006[11]

INCOME CATEGORY	UNITS NEEDED	HOUSING OPPORTUNITIES
Very Low	6	• Conversion of existing unintended second units to conditionally permitted units—or creation of new second units.
Low	3	• Conversion of existing unintended second units to conditionally permitted units—or creation of new second units.
Moderate	10	• Eight potential (market rate) second units, to be provided within new or remodeled single family homes. • One redevelopment site (PG&E) capable of accommodating 2 moderate income units (in addition to the 8 units identified below) through a density bonus program.
Above Moderate	28	• 26 vacant lots, each capable of accommodating one single family detached home. • One redevelopment site (PG&E), capable of accommodating 8 market rate multi-family units.
TOTAL	**47**	

Source: City of Piedmont, 2001

[11] *Units built between 1999 and 2001 (one above moderate single family home, and one second unit (presumed to meet "low" income rental criteria) have been subtracted from the "Units Needed" column.*

Government Code Sec. 65583 (a)(4):

The Housing Element shall contain an... "Analysis of potential and actual government constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove constraints that hinder the locality from meeting its share of the regional housing need..."

4.3 REGULATORY CONSTRAINTS TO HOUSING PRODUCTION

Government regulations may affect housing cost by establishing construction requirements and exacting planning, building, and site improvement fees. Typical regulatory constraints include zoning, subdivision regulations, impact fees, permit fees, and requirements for improving infrastructure. Lengthy approval and processing times may also add to the cost of construction. Increased costs are usually passed along to the consumer in the form of higher housing prices.

Potential regulatory constraints in Piedmont are discussed below.

General Plan

The Piedmont General Plan, last updated in 1996, sets the basic tone for the City's development policies and zoning regulations. Historically, the General Plan has emphasized the protection of Piedmont's residential character. Policies in the Land Use Element require that new development be consistent with established density standards. These standards allow 20 units per acre in "Medium Density" areas, 4 units per acre in "Suburban" density areas, and 2 units per acre in "Estate" areas. The City's zoning ordinance is consistent with these designations.

The other elements of the General Plan address circulation, open space and conservation, safety, noise, community design, and public facilities. Of these, the Community Design Element's policies probably have the greatest bearing on housing. Policies emphasize the preservation of historic and architectural resources and the protection of the City's aesthetic character. The Community Design Element provides the basis for the City's residential design review program.

There are no policies, programs, or other statements in the General Plan which impede housing construction. The Plan encourages the continued development of housing on the remaining vacant lots in the City. It strongly encourages the conservation and maintenance of the existing housing stock, and the protection of the City's residential neighborhoods from incompatible uses.

Zoning

The Zoning Ordinance (Chapter 17 of the Piedmont Municipal Code) includes standards for lot size and frontage, building setbacks, height, floor area ratio, lot coverage, impervious surface coverage, and parking. The ordinance also identifies those uses which are permitted outright and those which are permitted with a conditional use permit. Single family residences are permitted outright on every parcel in the City.

The Zoning Ordinance establishes five zones, including three residential zones, one commercial zone, and one public and open space zone. The residential zones include a multi-family zone (Zone C) which allows up to one dwelling unit per 2,000 square feet of lot area, a single family zone (Zone A) with a 10,000 square foot minimum lot size, and an estate zone (Zone E) with a 20,000 square foot minimum lot size. Approximately 85 % of the City's residential area is in Zone A. Many of the lots in Zone A are actually less than 10,000 square feet, and almost all of these lots are developed. Those that are vacant are still considered buildable, even though they are non-conforming.

There are only 27 parcels in the multi-family zone. All are developed and only one (the PG&E storage site) has been identified as having redevelopment potential. Several of the multi-family lots presently have single family homes and could potentially be redeveloped at higher densities. A conditional use permit would be required to allow such redevelopment.

The zoning ordinance currently does not permit multi-family housing in the Commercial zone (Zone D). Although such housing is not expressly prohibited, it does not appear on the list of permitted or conditionally permitted uses. In fact, the only use permitted by right in the Commercial zone is single family housing. Churches, private schools, and local-serving retail, office, and service uses are allowed with a conditional use permit.

The development standards in the zoning ordinance do not present an obstacle to housing construction or drive up the cost of housing. Height and setback requirements are comparable to those in other jurisdictions and requests for variances are relatively uncommon, considering the large

volume of applications received. The City has developed a sliding scale for floor area ratio (FAR) based on lot size, recognizing that different standards are appropriate on small lots than on large lots. The FAR standards provide most homeowners with an opportunity for home expansion but are stringent enough to maintain the overall scale of Piedmont's neighborhoods.

The multi-family zone (Zone C) includes standards for lot area, frontage, height, lot coverage, and setbacks. The minimum lot area is 10,000 square feet and the minimum parcel frontage is 90 feet. Neither of these factors is a development constraint, in part because all of the City's multi-family land has already been subdivided. A variance would not be required if an applicant wished to redevelop an existing multi-family parcel that was less than 10,000 square feet (or had less than 90 feet of frontage). The height limit in the multi-family zone is 35 feet. This corresponds to three-story construction, which is compatible with the 21 unit per acre density allowed in Zone C. Thus, height is not a constraint.

There are no floor area ratio standards in the multi-family zone. However, there is a 40 percent lot coverage limit and a 70 percent impervious surface coverage limit. These are the same limits that apply in the single family zones. The lot coverage limit could be a constraint to higher density development, since most of the multi-family parcels are small. In fact, most of the existing multi-family development in the City exceeds 40 percent lot coverage. To address this constraint and create an incentive for affordable housing, the City should amend its zoning standard to allow up to 50 percent lot coverage and 80 percent impervious surface coverage in Zone C for projects that incorporate affordable units. This would facilitate the reuse of the PG&E site and make it less likely that a variance will be required when the development is proposed.

Setbacks in Zone C are 20' in the front yard, 4' in the side yard, and 4' in the rear yard. Larger setbacks apply for corner lot side yards and through-lot rear yards (e.g., lots with frontage on two streets). These standards are not development constraints and have helped maintain design continuity in the City's multi-family district.

The City does not have explicit development standards for Mixed Use development (e.g., projects combining residential and commercial uses).

This is partially because the existing regulations do not allow multi-family housing in the commercial zone (Zone D), thereby limiting the feasibility of mixed use proposals. Projects combining commercial uses and single family homes are allowed, subject to a 50 percent lot coverage limit, 80 percent impervious surface limit, and 35-foot height limit. Setbacks are typically half of those required in the single family district. In the event that allowances for multi-family housing in Zone D are made, the same standards would apply. These standards would not be constraints to mixed use development.

Probably the most significant zoning constraints in the City relate to parking. The Zoning Ordinance requires that current parking standards are met when bedrooms are added to existing residences. These standards require two off-street, covered, non-tandem spaces for a three- or four-bedroom house, and three spaces for a five- or six-bedroom house. Most Piedmont homes were built in the 1910s and 1920s with one off-street parking space. Thus, the addition of a bedroom may trigger an accompanying requirement to expand or replace the garage. Rather than being an impediment, this requirement has been an extremely effective mechanism for conserving the City's smaller homes. Because the expense of providing off-street parking is usually very high, many homeowners have opted to make do with their existing homes rather than adding on.

On the other hand, the parking standard may be an obstacle for persons seeking to add a second unit or receive a CUP to legalize an existing "unintended" second unit. Meeting the off-street parking standard may require a garage expansion or the construction of a new garage or carport. Some lots are not well configured for additional off-street parking, making this standard difficult to meet.

The parking standard is rarely an obstacle when a new home is constructed. None of the new homes built in Piedmont during the past 10 years has requested a variance for parking.

The parking requirement for multi-family housing is currently two spaces per unit. There may be instances where fewer spaces would be sufficient. For example, studios and one-bedroom units, senior units, or units on the major bus lines might make do with one off-street space. Such exceptions could be considered when the City revises its Zoning Ordinance.

The Zoning Ordinance currently does not include provisions for density bonuses. Such provisions should be added to comply with State law. Density bonus provisions would allow the PG&E site to be redeveloped with 10 units instead of the eight that are allowed under current regulations. The Zoning Ordinance also does not specifically address the construction of manufactured or mobile homes; however, such housing is regulated by State law and would be permitted in all residential zones if proposed.

Piedmont does not currently have a Planned Unit Development (PUD) Ordinance. Such an Ordinance would allow relaxed development standards (e.g., modified setback requirements, etc.) in order to achieve more creative design solutions on constrained sites. Due to the lack of vacant land, a PUD Ordinance has not been pursued. There are no sites in the City on which such an ordinance could be meaningfully applied.

As mentioned above, the Zoning Ordinance requires a conditional use permit (CUP) for new multi-family housing. Issuance of the CUP is based on certain findings, including a finding that the use will not adversely affect the property values of surrounding homes. Evidence from various studies conducted by the Bay Area Council, ABAG, HCD, and other organizations indicate that affordable housing has no adverse affect on property values. Thus, the Planning Commission should be able to make this finding, in the event such housing was proposed on the PG&E site or elsewhere in the multi-family zone.

Although the CUP requirement is not a constraint, it does represent an additional step (and expense) for prospective multi-family housing developers. In addition to adding $720 to the cost of an application, the use permit requires the Planning Commission to make a finding that a project will not "contribute to a substantial increase in the amount of noise or traffic in the surrounding area." This finding could require that traffic and noise studies be prepared before an application is approved, leading to additional expenses and possible mitigation measures. While such studies are crucial for larger projects, they could be a burden for small multi-family projects. Thus, this Housing Element identifies a Program to exempt projects with less than eight units from the CUP requirement. The

City's Design Review process would ensure that adequate opportunities for public input were provided in the event such projects were proposed.

The Zoning Ordinance is currently silent on the issue of mobile and manufactured homes. Sections 65852.3 and 65852.4 of the State Government Code require all cities to allow manufactured homes on foundations on single family zoned lots, subject to local design guidelines and architectural standards. Section 65852.7 requires cities to allow mobile home parks in single family zoned districts, although use permit requirements may apply. At the present time, the only section of the Municipal Code addressing mobile homes is Chapter 21, which prohibits the use of "house trailers" for habitation except in trailer parks. An action program in this Housing Element has been included to comply with state law in the areas of mobile and manufactured homes.

City Charter

A potential regulatory constraint in the City relates to Piedmont's Municipal Charter. Section 9.02 of the Charter specifies that:

> *"No existing zones shall be reduced or enlarged...and no zones shall be reclassified without submitting the question to a vote at a general or special election.... No zones shall be reduced or enlarged and no zones reclassified unless a majority of the voters voting upon the same shall vote in favor thereof..."*

This requirement—that a citywide vote be held to rezone property—makes it difficult to increase the supply of land for higher density housing in the City. Given the City's single family character, it is unlikely that voters would approve the rezoning of land from single family to multi-family use.

Design Review

Most exterior alterations to Piedmont homes require Design Review. A two-tiered system is used for design review applications. Those involving less than $75,000 in improvements are processed administratively (by staff) and those involving more than $75,000 are subject to Planning Commission review. Both types of projects are reviewed for consistency with the City's Residential Design Review Guidelines. These Guidelines

encourage alterations and additions which complement existing residences, and new homes which match the character of the surrounding area. The Guidelines establish high standards for design and construction, potentially translating into higher costs than might be required for comparably sized projects in other cities.

Design review applications are subject to review and comment by nearby property owners. Abutting property owners are notified of Staff Design Review applications, while Planning Commission applications are subject to a 300-foot radius notification. This process has been effective in avoiding land use conflicts and addressing issues such as neighbor privacy and architectural compatibility. Modifications to projects are often made in response to comments from neighbors. Although such changes may produce more successful projects, they do have the potential to increase project costs or result in longer processing times.

Over the past 10 years, the City has implemented a number of measures to expedite design review and eliminate potential constraints. Since the time the last Housing Element was prepared, the threshold for Planning Commission Design Review has been raised from $10,000 to $75,000, significantly reducing the number of cases referred to the Commission and expediting project approval for residents. An extensive list of exempt projects has been developed, including the "as is" replacement of decks, windows, roofs, and other façade components. Rather than being a hindrance to housing production, the Design Review process has been a boon for reinvestment in the City's housing stock and has had a very positive impact on neighborhood character and housing conservation.

Subdivision Ordinance

Chapter 19 of the City Code regulates the division of property in Piedmont and establishes standards for the design of improvements such as roads and utilities. The Code does not pose constraints to development. Because virtually all new housing in Piedmont takes place on existing lots, the provisions of the subdivision ordinance rarely apply when a new home is built.

Growth Control

The City of Piedmont has no City-imposed or voter-imposed growth control measures.

Building Code Requirements

Piedmont has adopted the Uniform Building Code, with a number of amendments to reflect issues of local concern. These amendments include requirements for soils reports for new homes on lots which exceed 20 % slope, drainage plan requirements for large projects, a minimum driveway width standard of 12 feet and a maximum driveway slope of 20 %, and a variety of other standards relating to fire safety (such as restrictions on wood shake roofing). These standards do not impede housing development, but may result in slightly higher construction costs.

The City only imposes requirements that have deemed necessary to maintain public health, safety, and welfare. The City is close to the Hayward Fault and is immediately adjacent to the site of the most destructive urban wildfire in California history. Most of the locally-adopted building code amendments are necessitated by seismic concerns, fire safety, and emergency access considerations.

Piedmont has adopted specific Building Code standards for second units. One-hour fire separation is required between the second unit and the primary residence. Staircases accessing the unit must be at least 36 inches wide. Habitable rooms must have ceiling heights of at least 7'6", and bathrooms and hallways must have ceiling heights of at least 7'0". Proper ventilation and window openings must be provided, and adequate electrical service must exist. Although these requirements are all based on the Uniform Building Code, there are some Piedmont homes with separate living quarters that do not meet these standards. Converting these spaces to legal second units could require a significant investment by the property owner. Allowing exceptions to the building code (for instance, allowing a 30" staircase instead of a 36" staircase) under certain conditions could make it easier for some property owners to obtain Second Unit CUPs.

Enforcement of the building code does not pose a constraint to the production or maintenance of housing in Piedmont. Buildings are

typically inspected only when permits are obtained, or when complaints or suspected violations are reported. Given the residential character of the City and its compact size, the complaint-based system of code enforcement has been very effective in addressing violations.

Site Improvement Requirements and Fees

In most California cities, home builders are required to provide a full complement of on-site improvements such as streets, curbs, gutters, water lines, and sewer lines. Impact fees as high as $40,000 per unit are not uncommon in newer East Bay cities. These fees are typically passed on to homeowners in the form of higher sales prices. Because Piedmont is built out and all development opportunities are on sites with a full complement of existing urban services, site improvements and impact fees are not required. This represents a significant savings relative to the cost of development in newer communities.

Planning and building fees in Piedmont are designed to recover the cost of processing permit applications only, and are not used as a source of revenue for other City programs. The most commonly collected fees are:

Staff Design Review, Project value under $3,000	$150
Staff Design Review, Project value over $3,000	$250
Planning Commission Design Review (project over $75,000)	$600
Planning Commission Design Review for front yard fences and retaining walls	$180
Variance	$480
Conditional Use Permit (for second unit or multi-family)	$720

Although fees in Piedmont have risen since the last Housing Element was prepared, the increase has been much slower than the increase in property values and construction costs. If a new home with a construction value of $500,000 were to be proposed in the City today, the planning and building permit fees would total $6,019. About 80 % of this cost would be for the building permit. The fee represents about 1 % of the total housing cost, compared to the 7 or 8 % reported by the fast-growing communities of Southern and Eastern Alameda County.

Permit Processing

All planning applications are processed in accordance with the Permit Streamlining Act (PSA), which allows 60 days between the submittal of a complete application and a formal action on that application. Most planning applications are decided in less than 40 days. Staff Design Review applications are processed in 10 days, with another 10-day period for potential appeals before the permit may be issued. Building permits are processed in a similarly timely fashion with plans for an entirely new residence typically taking less than 30 days to process.

A majority of planning applications are for Design Review. Applications for General Plan Amendments or projects which require environmental impact reports or subdivision tract or parcel maps typically take longer to process, but are very infrequent. Lengthy processing times are most likely to be associated with incomplete submittals or projects which do not meet the City's Design Guidelines. Due to the high level of citizen participation in the City, new homes may require multiple Planning Commission hearings before receiving approval.

Other Potential Regulatory Constraints

All contractors and design professionals working on Piedmont properties are required to have a business license. These costs may be passed on to property owners in the contractor's fees, resulting in higher housing costs and more expensive renovation projects. However, the fees are low compared to other communities and are not regarded as a constraint to housing development or improvement.

Owners renting property in Piedmont are required to pay a tax of $200 a year or 1.395 % of gross rental receipts, whichever is greater. Again, the tax is relatively low and has not been an impediment to the development of rental housing. It could, however, discourage the owners of legal second units from reporting such income to the City, and potentially from using the units as rentals at all. An action program in this Element (Program 3.2) directs the City to study a variety of incentives to promote second unit occupancy. These incentives could include reducing or waiving rental taxes for new and existing second unit owners willing to limit monthly rents to levels that are affordable to low income households.

This might encourage property owners to offer legal units for rent and apply for permits to legalize and rent "unintended units." It would also be an incentive for the creation of new second units. The change would have minimal fiscal impact on the City.

Housing costs may be impacted by the City's sidewalk inspection and replacement policy. This policy requires a sidewalk inspection prior to the issuance of any building permit with a value of over $5,000. If the sidewalk is found to be deficient, it must be repaired before the permit is issued. Although the program has not slowed the pace of home improvements, it could represent a potential obstacle for lower income households. On the other hand, the alternative approach would be to assess all property owners in the City for the cost of sidewalk repair—placing a potentially even greater burden on lower income homeowners.

4.4 INFRASTRUCTURE CONSTRAINTS TO HOUSING PRODUCTION

Government Code Sec. 65583 (a)(5):

The Housing Element shall contain an... "Analysis of potential and actual non-governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction."

There are no infrastructure constraints to development in Piedmont. All vacant lots in the City have full water, sewer, and drainage services. Water and sewer laterals would be required to connect new residences to the municipal system, but the system itself has ample capacity and is entirely in place. Likewise, the City's storm drainage system is already in place and is capable of handling the additional runoff that would be generated by development of the remaining vacant lots in the City. Piedmont roads are uncongested and do not pose a development constraint. Police, fire, school, and solid waste services are currently adequate and are not considered a constraint to housing development.

All but one of the sites identified in Table 4-1 fully comply with the City's street frontage requirements. The exception is a potentially divisible lot at 970 Moraga Avenue which might require a driveway easement in the event the lot was split. All other lots in Table 4-1 would simply require a driveway curb cut to provide access to the homesite.

4.5 FINANCIAL CONSTRAINTS TO HOUSING PRODUCTION

Land and Construction Costs

Land and construction costs are a constraint to the development of affordable housing in Piedmont. Most vacant lots in the City have values exceeding $500,000. New construction costs of $200 to $400 a square foot are common, resulting in real estate values of well over $1 million for virtually all of the single family homes built in the City during the last few years.

One reason that construction costs in Piedmont are so high is that vacant lots in the City tend to be steep and require engineered foundations. Past attempts to build single family homes on vacant sites at 210 Howard, 195 Oak, and 1001 Moraga—all steep lots—have been unsuccessful. On the other hand, the City recently approved a single family home at 139 Lexford Road on a slope greater than 45 %. The home is likely to be very expensive, in part because the design constraints associated with the site. The inclusion of second units in such residences would improve their affordability for the buyer (by creating a source of supplemental income), while producing a new rental unit serving a low or moderate income household.

Availability of Financing

Interest rates have a critical effect on the affordability of housing. The 1992 Housing Element reported average mortgage interest rates of 10.7 %, resulting in high monthly payments for prospective homebuyers. Today, interest rates have declined to 7 to 8 %, making the availability of financing a much less significant constraint. However, the higher cost of real estate has partially negated the "savings" resulting from the lower interest rates. For loans with the same term, monthly payments for today's homebuyer are still likely to be much larger than they were 10 years ago, although a larger share of the payment is applied to reduce the mortgage principal.

Purchasing a Piedmont home typically requires a down payment of 10 to 20 %. This may be an impediment for first time homebuyers, many of whom have not had an opportunity to accumulate substantial savings.

Most homebuyers in Piedmont are "moving up" in the housing market, using the proceeds from the sale of a prior residence as their downpayment. Local government programs which assist first time homebuyers (such as Downpayment Assistance or "Silent" Second Mortgages) are often effective where such market conditions prevail.

CHAPTER 5

GOALS, POLICIES, AND PROGRAMS

5.1 INTRODUCTION

Government Code Sec. 65583:

"The Housing Element shall consist of...a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing..."

Chapter 5 of the Housing Element synthesizes the findings of the preceding chapters into goals, policies, and programs for the future. The **goals** describe ideal future conditions and are general in nature. The **policies** are intended to guide City decision-making on issues related to each goal. The **programs** identify specific steps that will be taken by the City to implement the policies. They include ordinance revisions, public education campaigns, future plans and studies, and other measures which can be assigned to different City departments after the General Plan is adopted.

Government Code Sec. 65583 (c):

The Housing Element shall contain...

"A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives..."

In accordance with State law, the Chapter also contains **quantified objectives** for each Goal. These provide targets for future programs, as well as a way to measure the City's progress toward the implementation of its Housing Element.

At the end of this chapter, two tables summarize the quantified objectives and the programs. Table 5-2 is the City's Five-year Action Plan. It identifies the name of each program, the City staff person with primary responsibility, staff members or parties with supporting roles, funding sources, and approximate timing.

5.2 GOALS, POLICIES, AND PROGRAMS

The following goals, objectives, policies, and programs (p. 5-2 through 5-24) are adopted:

GOAL 1: NEW HOUSING OPTIONS

Provide a range of new housing options in Piedmont to meet the needs of all household types in the community.

Quantified Objectives for Goal 1:

(1) Zone the City's remaining vacant and redevelopable lots to accommodate the construction of at least 47 units of new housing.

(2) Facilitate the production of at least 20 single family homes (suitable for above moderate income households) and 8-10 units of multi-family housing on the former PG&E site by 2006.

(3) Include second units in least 50 % of the new homes to be added between 2003 and 2006.

POLICIES

Policy 1.1:
Provide an adequate number of sites for the development of housing consistent with ABAG's recommendations.

Policy 1.2:
Continue to maintain planning, zoning and building regulations that accommodate the development of housing for all income levels.

Policy 1.3:
Continue to allow residential uses in all of Piedmont's zoning districts.

Policy 1.4:
Participate in those state and federal housing assistance programs that are most appropriate to Piedmont's character and that recognize the nature of affordable housing opportunities in the City.

Policy 1.5:
Continue to allow second units in all residential zones within the City. Strongly encourage the inclusion of second units when new homes are built and when existing homes are remodeled or expanded.

Policy 1.6:
Ensure that local zoning regulations accommodate multi-family residential uses on commercial properties in the City, including the addition of apartments to existing commercial buildings.

Policy 1.7:
Encourage the development of multi-family housing on parcels that are zoned for multi-family use but developed with non-residential uses.[12]

Policy 1.8:
Coordinate local affordable housing efforts with the California Department of Housing and Community Development, the County of Alameda County, and adjacent cities. Where City-sponsored housing programs are infeasible due to limited local resources, explore the feasibility of participating in programs initiated by other jurisdictions.

Policy 1.9:
Discourage lot mergers, lot line adjustments, and other changes to legally conforming parcels which would reduce the number of buildable lots in the City.

Government Code Sec. 65583 (c)(1):

The Housing Element program shall... "identify adequate sites which will be made available through appropriate zoning and development standards and with public facilities and services needed to facilitate a variety of types of housing for all income levels, including multi-family rental housing, factory-built housing, mobile homes, emergency shelters, and transitional housing in order to meet the community's housing goals..."

Government Code Sec. 65583 (c)(2):

The Housing Element program shall... "assist in the development of adequate housing to meet the needs of low and moderate income households."

IMPLEMENTATION PROGRAMS

Program 1.1: Vacant Land Inventory
Prepare an annual update of the City's vacant land inventory, indicating the status and availability of each site for potential development.

Description:
A vacant land inventory has been prepared as part of this Housing Element update (see Table 4-1). This inventory should be updated annually, with an indication of the ownership, availability for sale, and status of any pending construction projects. Information about potential new parcels should be added, in the event that lot standards or subdivision regulations change.

Responsible Parties:	City Planner
Timing:	Annually, beginning in Summer 2003
Funding:	Staff time (General Fund)

[12] *There is only one parcel in the City that is zoned for multi-family use but developed with non-residential uses. It is owned by PG&E and is further described in Program 1.5.*

Program 1.2: Second Units in New or Remodeled Homes

Develop, implement, and support incentives to incorporate second units in new and remodeled Piedmont residences.

Description:

Without incentives, it is likely that most of the homes built in Piedmont during the next five years would be conventional single family residences. Within one year after adoption of the Housing Element, the City will develop a package of incentives to promote the inclusion of second units in new and remodeled dwelling units. These incentives will be determined through a feasibility study (outlined in Program 3.2). Incentives could include, but will not necessarily be limited to:

(a) Waiver of the conditional use permit requirement, provided that the dwelling meets all criteria for second units established by Chapter 17D.
(b) Reduced building permit fees.
(c) Reduced rental housing taxes for the property owner, or a waiver of the rental housing license fee.
(d) Allowing the required parking space to be non-covered or tandem rather than covered and non-tandem.

An applicant's eligibility for these incentives would be determined through the feasibility study. The criteria could include an agreement to rent the unit at an affordable rate for a set period of time as a means of increasing the supply of affordable units in the City.

Following adoption of the incentives, the City will prepare printed information on the program and make it available to all persons applying to build or substantially remodel a new home in the City. The City will also conduct a mass mailing to Piedmont residents informing them of second unit regulations, the procedure for applying for a use permit, the potential for fee reductions or rental tax reductions, and the potential advantages of adding a second unit to an existing home. The City has conducted such mailings in the past, with excellent results. In 1994, a mass mailing was used to notify 1,200 households of their eligibility to apply for second unit permits. The resulting applications led to the licensing of 34 units, including at least 10 that were not known to the City previously.

Responsible Parties:	City Planner, with direction from the City Council and the City Planning Commission
Timing:	December 2003
Funding:	Staff time (General Fund)

Program 1.3: Mixed Use Development

Consider zoning amendments which would facilitate the addition of multi-family units on parcels in the Commercial District (Zone D).

Description:

The potential to add second story apartments to one-story commercial buildings along Grand Avenue (e.g., "mixed use" development) was mentioned in Chapter 4. In the event the zoning ordinance is amended to allow multi-family housing in this zone (pursuant to Policy 4.11), parking variances or allowances for shared parking (e.g., the residential unit is permitted to use business parking spaces, since the occupant is most likely to be home when the business is closed) could be an effective way to accommodate additional housing. Variances for setbacks, lot coverage, and floor area ratio could be considered for projects that meet Housing Element objectives.

Responsible Parties:	City Planner, with direction from the City Council and Planning Commission
Timing:	December 2003
Funding:	Staff time (General Fund)

Government Code Sec. 65915 (abridged):

When the development of housing is proposed, a city shall provide incentives for the production of lower income housing units within the project if the developer meets the following requirements: at least 20 % of the total units are reserved for lower income households or 10 % of the total units are reserved for very low income households or 50 % of the total units are reserved for seniors or 20 % of the units in a condominium project are reserved for moderate income households.

The city shall adopt an ordinance that shall specify the method of providing developer incentives. These incentives shall include the granting of a density bonus, unless the city finds that the concession is not required to provide affordable housing, or another incentive of equivalent financial value.

Program 1.4: Density Bonuses

In accordance with State law, adopt a density bonus ordinance which allows higher densities where affordable housing is provided.

Description:

Government Code Section 65915 provides that a local government must provide a development incentive for any project which reserves 20 % of the units for lower income households, 10 % of the units for very low income households, or 50 % of the units for senior households, or 20 % of the units in a condominium project for moderate income households. The incentive must consist of a 25 % density bonus and at least one other concession or incentive, or a financial incentive of equivalent value. The provisions apply to all projects with five or more units. The City of Piedmont should adopt a density bonus ordinance which conforms to the State requirement. The Zoning Ordinance and other standards should be revised as necessary to ensure that density bonuses can be attained on multi-family sites.

Responsible Parties:	City Planner/City Administrator
Timing	December 2003
Funding:	Staff time (General Fund)

Program 1.5: Redevelopment of the PG&E site
Support the redevelopment of the PG&E site on Linda Avenue with multi-family housing.

Description:
This 16,000 square feet site is expected to become available for re-use during the next two years. If an applicant requests a density bonus on this site (per Program 1.4), up to 10 housing units could be built, including 8 market-rate units and two affordable units.

City Staff contacted PG&E in December 2001 and March 2002 to determine the status of the site (personal communication 12/10/01 and 3/15/02, Susan Bragagnolo, Senior Real Estate Portfolio Manager, PG&E Building and Land Services). PG&E's Project Manager confirmed that environmental remediation had been completed and that no further cleanup was required to accommodate housing. She added that the Company was awaiting a "No Further Action" letter from the State for the site prior to proceeding with the sale. Certification is expected by the end of 2002 and the property will be marketed immediately thereafter.

Because of PG&E's bankruptcy, the Company may not use its conventional sealed bid process when accepting offers on the site. According to PG&E's Project Manager, the property will be marketed concurrently with many other real property assets, with the method of sale to be determined by the bankruptcy court. Auctioning and accelerated sale are both possible. PG&E has indicated that they are obligated to accept fair market value for the site and may be obligated to accept the highest bid. PG&E has further indicated that regardless of the sales method, they are committed to working with the City and community to address neighborhood concerns and City objectives during the transaction.

The City will maintain close contact with PG&E during the marketing and sales process, and will work closely with the subsequent owner to facilitate redevelopment. It is anticipated that the site will be sold during Fall or Winter 2002. Following the sale, the City will conduct pre-application conferences with the new owners to address re-use issues and the development application process. The City will also work with the new owner to explore the feasibility of incorporating affordable and/or senior housing in the project.

Parties:	City Administrator/City Council
Timing:	2004-2006
Funding:	Non-profit or private investment

GOAL 2: HOUSING CONSERVATION

Promote the conservation and maintenance of Piedmont's housing stock.

Quantified Objectives for Goal 2:

(1) Preserve 100 % of the existing multi-family rental units in the City through 2006.

(2) Preserve 100 % of the existing housing in the Commercial zoning district through 2006.

(3) Assist in the remodeling of at least 20 Piedmont homes by 2006 using CDBG funding for lower income households. At least 10 of these households should be senior-occupied.

POLICIES

Policy 2.1:
Strongly encourage private property owner reinvestment in the City's housing stock.

Policy 2.2:
Support housing stock maintenance through government funding such as Community Development Block Grants when private funding is not available.

Policy 2.3:
Encourage the preservation of Piedmont's existing stock of small homes and historic homes.

Policy 2.4:
Enforce local building codes to ensure that housing is safe and sanitary, and protect the character of Piedmont neighborhoods. Promptly investigate all reports of nuisances and require the abatement of such situations as needed.

Policy 2.5:
Allow the use of original materials and methods of construction when alterations to homes are proposed, unless a health or safety hazard would occur.

Policy 2.6:
Preserve existing multi-family rental housing, including non-conforming multi-family units in the single family zone.

Policy 2.7:
Preserve existing residential uses on properties that are commercially zoned.

Policy 2.8:
Continue to encourage Piedmont residents to maintain home offices as a means of making housing more affordable for persons who would otherwise need to rent office space outside the home.

IMPLEMENTATION PROGRAMS

Government Code Sec. 65583 (c)(4):

The Housing Element program shall... "Conserve and improve the condition of the existing affordable housing stock."

Program 2.1: CDBG Funding
Apply for Community Development Block Grant (CDBG) funds for housing maintenance, and establish a process for informing the public that such funds are available.

Description:
The Alameda Urban County CDBG program provides funds to assist lower income households with home repair and maintenance projects. A limited amount of funds are provided to local cities, with disbursal to qualifying lower income households. The City of Piedmont has participated in this program in the past. Future participation is recommended. If the City is successful in obtaining funds, a public information campaign should be initiated to solicit applications for grants/loans by Piedmont households.

Responsible Parties:	City Planner/ Finance Director
Timing:	Ongoing, beginning in Spring 2003
Funding:	Staff time (General Fund)

Program 2.2: Preservation of Small Homes
Maintain zoning and design review regulations that protect the existing supply of small (less than 1,800 square feet) homes in Piedmont. Explore other incentives to protect small homes, including design awards for exemplary small home improvement projects.

Description:
The City's existing supply of small homes is currently protected by:

- Floor Area Ratio and Lot Coverage requirements which limit the square footage and coverage of structures.
- Requirements to provide conforming off-street parking in the event that bedrooms are added (creating a disincentive to the expansion of two and three bedroom homes with one-car garages).

- Design Review Guidelines which strive to maintain the scale and mass of existing homes.

All of these provisions should be retained. In addition, the City should study measures that other cities are taking to retain smaller homes, and determine if any of these measures might be transferable to Piedmont.

One concept that could be explored would be a local registry of historic homes. Owners with homes meeting certain criteria (e.g., pre-dating 1925, exemplary period architecture, etc.) and desiring to have their homes listed might nominate their residence to such a list, with an agreement to maintain the size and exterior appearance of the home for a fixed period (perhaps 10 years). Tax benefits or credits could provide an incentive to participate in the program.

Another concept would be to include a category in the City's annual design awards program in which outstanding remodeling projects for small homes are specifically acknowledged.

Responsible Parties:	City Planner/ City Administrator
Timing:	Ongoing, beginning in Spring 2003
Funding:	Staff time (General Fund)

Program 2.3: Use of Original Materials and Construction Methods
Maintain Planning and Building standards which allow the use of original materials and construction methods in home remodeling. Explore additional measures to reduce remodeling costs for Piedmont homeowners.

Description:
The City's Design Review, Plan Checking, and Building Inspection processes currently allow the use of original materials and methods of construction when remodeling projects are proposed. These provisions can mean significant cost-savings for property owners, who might otherwise need to use more expensive materials. Additional measures could include the application of the State Historic Building Code to structures that qualify as "historic." This Code allows the relaxation of certain UBC standards (such as staircase width) in order to preserve historic buildings.

Responsible Parties:	Building Official
Timing:	Ongoing
Funding:	Staff time (General Fund)

Program 2.4: Condominium Conversions
Maintain the existing prohibition on the conversion of apartments to condominiums.

Description:
This is an existing program, and it should be continued for the duration of the planning period. To protect the City's limited supply of multi-family housing (e.g., three units or more), the conversion of rental apartments to condominiums is prohibited.

Responsible Parties:	City Council
Timing:	Ongoing
Funding:	Staff time (General Fund)

Program 2.5: Protection of Non-Conforming Multi-Family Uses
Amend Chapter 17 of the Piedmont Municipal Code to protect non-conforming multi-family units, and to protect existing residential uses on commercially zoned properties.

Description:
Non-conforming multi-family units include apartment buildings in zoning districts A and E (the single family zone and the estate zone). Several non-conforming units exist on Linda Avenue and in Wildwood Gardens. Zoning should ensure that such units can be rebuilt in the event they are destroyed by fire or natural disaster, and should also allow their continued improvement and rehabilitation. There are also a number of single family residences located on Grand Avenue within the City's Commercial Zone. These homes could potentially be converted to commercial uses under the current zoning ordinance. A zoning amendment should be proposed to require replacement housing in the event such a change resulted in the net loss of a dwelling unit.

Responsible Parties:	City Planner/ City Attorney
Timing:	December 2003
Funding:	Staff time (General Fund)

GOAL 3: SECOND UNIT OCCUPANCY

Increase the occupancy of Piedmont's existing second units by renters.

Quantified Objectives for Goal 3:

(1) Rental occupancy of at least 50 % of the existing stock of CUP and Exempt Second Units by 2006.

(2) Conserve 10 second units with Temporary Use Permits.

(3) Convert at least 7 "Unintended Second Units" into licensed (CUP) second units by 2006. At least 6 of these units should be income-restricted to households earning less than 50 % of the areawide median income.

POLICIES

Policy 3.1:
Preserve the City's stock of existing "TUP" (temporary use permit) second units.

Policy 3.2:
Encourage property owners with registered second units, including those classified as "exempt" and those permitted with CUPs, to actively use these units as rental housing and to report rental income to the City as required.

Policy 3.3:
Encourage property owners with "unintended second units" to apply for conditional use permits to use these units as rental housing.

Policy 3.4:
Maintain zoning regulations which enable Piedmont property owners to add second units to their residences. Ensure that local standards for second units address neighborhood compatibility, parking, public safety, and other issues but are not so onerous as to preclude the development of additional units.

Policy 3.5:
Explore incentive programs which encourage property owners to create second units and put existing second units into active use.

Policy 3.6:
Maintain building code regulations which ensure the health and safety of second unit occupants and the occupants of the adjacent primary residence.

IMPLEMENTATION PROGRAMS

Program 3.1: Extension of Temporary Use Permits (TUPs)
Extend the second unit temporary use permits (TUPs) until the City's Second Unit Ordinance has been revised.

Description:
The TUP program was established in 1987 to provide the owners of non-conforming second units with an opportunity to continue to use these units for habitation for a limited time period. The TUP designation recognized that the units did not meet zoning standards but provided a housing resource for the community and a source of income for their owners. Owners were given 15 years to either complete the upgrades necessary to receive a full conditional use permit, or amortize the cost of the unit and cease its use as separate living quarters. Most of the TUP owners chose the former option and upgraded the units to meet the Uniform Building Code.

There are 10 remaining second unit TUPs in Piedmont. These units were never upgraded to the requisite codes, presumably due to the high cost or because the owners are no longer using the units for habitation. The 15-year amortization period for these units ended on May 6, 2002. Under the terms of the TUP, the owners were to cease using these units as separate living quarters by that time. City records indicate that four of the units are currently in active use as rentals.

Program 3.1 grants an automatic extension to all 10 TUPs until the Second Unit Ordinance revision has been completed. The ultimate status of the TUP units would be evaluated in the second unit study described in Program 3.2 below. At a minimum, the new Second Unit Ordinance should include provisions to temporarily extend the TUPs subject to an agreement by the owner to offer the units at rates affordable to lower income households.[13]

Responsible Parties:	City Council
Timing:	Fall 2002 (underway)
Funding:	None Required

[13] *In 2001, these rents were $1,076 or less for a two-person household and $942 or less for a one-person household*

Program 3.2: Second Unit Feasibility Study, Ordinance Revision, and Incentives Package

Undertake a feasibility study to determine the best ways to promote second units in Piedmont. Based on the findings of this study, revise the City's second unit ordinance and initiate a second unit incentive program. This program should:

- *Encourage persons with legal (CUP, GCCUP, and exempt) second units to actively use these units as rental housing.*
- *Encourage persons with TUP second units to upgrade these units to meet current building codes.*
- *Encourage persons with unintended second units to apply for CUPs so that these units may be offered for rent.*
- *Encourage persons building a new home or substantially remodeling an existing home to incorporate second units in their plans.*
- *Encourage second unit owners to offer their units for rent at rates that are affordable to lower income households.*
- *Include provisions for monitoring the number of second units in the City, the rents being charged, data required to determine affordability under state law, and data on whether the unit is newly created or existed as a dwelling unit previously.*

Description:

Program 3.2 is a multi-part program aimed at promoting the use of second units as affordable rental housing for lower income households. The program includes a feasibility study, a comprehensive revision of the second unit ordinance, and the development of an incentive package for second unit owners.

The feasibility study will be initiated immediately after the Housing Element is adopted and should be completed within one year. The study should be guided by a Citizens Task Force charged with developing recommendations for City Council consideration. Task Force members should include second unit owners, occupants, and other Piedmont residents interested in second unit issues. Their focus should be on the bullet points listed above.

Based on the feasibility study and task force findings, a revised Second Unit Ordinance will be drafted for adoption by the City Council. The existing Ordinance (Chapter 17D of the Municipal Code) has been in effect since 1994 and has a number of weaknesses, including incomplete definitions and a potentially confusing bi-annual reporting process. The updated Ordinance should include conditions for modifying development standards and other code requirements as a way of creating and conserving housing that is affordable to low and moderate income households. It should establish an exception procedure for units meeting criteria relating to affordability and neighborhood health, safety, and welfare. For

instance, qualifying affordable units could be subject to relaxed parking standards and minor exceptions to building code requirements.

The revised Ordinance should also change the process for the bi-annual reporting of the unit's status so that the owner is simply asked to indicate if the unit is being rented and at what rate. The bi-annual report should also be used as an opportunity to advise the owner that rental taxes may be reduced if the unit is rented at an affordable rate. Another revision to the Ordinance should add specific findings for the issuance of a Second Unit CUP that are different than the findings for other CUPs. The new findings should recognize the important role that second units play in meeting the City's affordable housing needs.

Following adoption of the new Ordinance, a series of incentives will be created to encourage second unit owners to actively offer the units as affordable rental housing. Current records indicate that only 24 of the 90 legal units in the City are actually being rented at this time. This means that there are potentially over 60 units that are either vacant or in use by the owner for another purpose (e.g., home office, guest quarters, storage, etc.). These units represent the City's best prospects for meeting its fair share housing allocation during the next four years. At a minimum, the City's rental tax should be reduced for owners who agree to rent these units at rates that are affordable to low income households.

The provisions for reduced rental taxes would apply to newly created second units as well as existing units and any "unintended" units legalized through this program. As indicated in Program 1.2, a property owner creating a new second unit would be eligible for reduced rental taxes if the unit was rented at a rate deemed affordable to a low income household.[14]

The incentives will also target the owners of the 100 or so "unintended" second units in Piedmont. Within three months following the adoption of the new second unit ordinance, the City will contact each owner by mail (a list of addresses has already been compiled) and will apprise them of the incentives available should they wish to upgrade their second units for affordable rental housing. These incentives would include reductions of the rental tax, building permit fees, and conditional use permit fees, and potential modifications to the parking standards for qualifying units.

Owners of the unintended units will be encouraged to contact the City to determine their eligibility for modified development standards and fee waivers. This is the same process that was followed in 1994 when over 30 new government code second units were permitted. Again, the intent is to offer incentives and benefits primarily to owners who agree to maintain

[14] *The current rental tax is currently 1.395 % of gross receipts or $200, whichever is greater. The extent of the tax reduction for affordable units would be determined through the second unit study. One option would be to grant a full waiver for rentals that qualify as affordable to "very low" income households and a partial waiver for rentals that qualify as affordable to "low" income households.*

rents at levels that are affordable to lower income households. Ideally, a matching program would be developed to pair available second units with lower income persons working in Piedmont, such as Piedmont teachers, child care workers, and other local employees.

Following the initial contact of property owners, the City will conduct an annual marketing campaign to publicize its second unit program. This program could consist of an annual letter to property owners, a permanent link on the City's website, press releases, an annual report to the City Council, and the preparation of updated pamphlets and promotional materials.

Responsible Parties:	City Planner, with direction from the City Council and City Planning Commission
Timing:	Completion of study within 12 months of Housing Element adoption (11/18/03) Adoption of new ordinance and incentive package by Spring 2004
Funding:	Staff time (General Fund)

Program 3.3: Public Information and Education Campaign
Prepare a citywide mailing with information about second units, including definitions, regulations for their use, opportunities for their construction, and any incentive programs developed through Program 3.2.

Description:
This program would create a cover letter and pamphlet suitable for mailing to all Piedmont homeowners. The pamphlet would inform residents of what second units are and why they are an important part of the City's housing stock. It would describe the different types of second units in the City, the regulations that govern them, and the application process. Any incentive programs developed by the City (through Program 3.2) would be described. Depending on financial resources, the City could create a website with additional information.

Responsible Parties:	City Planner/ Consultant
Timing:	Spring 2004 (concurrent with adoption of new ordinance)
Funding:	Staff Time (CUP Fees)

GOAL 4: HOUSING CONSTRAINTS

Minimize constraints to the development of additional housing without compromising the high quality of Piedmont's neighborhoods.

Quantified Objectives for Goal 4:

(1) Process 80 % of all complete applications for planning and building permits within 30 days after they are received, instead of the 60 days allowed by the Permit Streamlining Act.

(2) Provide reduced fees or fee waivers to at least 10 applicants who are rehabilitating or creating housing units suitable for lower income households in the City (including second units).

(3) Develop an internet website with information on the Planning and Building process in Piedmont.

POLICIES

Policy 4.1:
Encourage public understanding of the planning and building processes in Piedmont to facilitate permit processing and reduce project costs and delays.

Policy 4.2:
Ensure that planning and building standards, development review procedures, and fees do not form a constraint to the development, conservation, and rehabilitation of housing, or add unnecessarily to the cost of building or improving housing.

Policy 4.3:
Promote the expeditious processing and approval of residential projects that are consistent with the General Plan, Zoning Ordinance, and Design Review Guidelines.

Policy 4.4:
Periodically update codes and standards for residential development to reflect changes in state and federal law, new technology, and market trends.

Policy 4.5:
Allow certain development standards to be relaxed to accommodate affordable housing, where there is no threat the health, safety, and welfare of the City or potential for adverse impacts on the surrounding neighborhood.

Policy 4.6:
In accordance with state law, ensure that local land use regulations accommodate mobile homes and manufactured housing. Land use regulations may include design standards which ensure that such housing is compatible in character with the community, but these regulations shall not preclude the development of such units in the City.

Policy 4.7:
Designate the City Planner as the City's Housing Coordinator.

Policy 4.8:
Support the regular maintenance of infrastructure, including water, sewer, drainage, streets, and sidewalks, so that these facilities are available when new housing is proposed.

Policy 4.9:
Participate in appropriate County programs which address financial constraints for first time homebuyers, including downpayment assistance, silent second mortgages, Mortgage Credit Certificates, and Mortgage Revenue Bonds.

Policy 4.10:
Ensure that the other elements of the General Plan are consistent with the Housing Element.

IMPLEMENTATION PROGRAMS

Government Code Sec. 65583 (c)(3):

The Housing Element program shall... "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.

Program 4.1: Pamphlets
Prepare pamphlets for display at the Planning Counter which educate residents about the planning and building processes in Piedmont.

Description:
Several pamphlets have already been prepared, including an overview of design review and zoning, the application processes for decks, additions, re-roofing, termite repairs and seismic upgrades (each a separate pamphlet), and a list of projects which do not require a building permit. These pamphlets are several years old and are somewhat outdated. Some are "out of stock" and are no longer kept at the Planning Counter. Updating and reprinting are recommended. An additional pamphlet should be prepared to describe how to perform the calculations that are required as part of a planning submittal (e.g., floor area ratio, lot coverage, building height, etc.). Another pamphlet should advise applicants of the

fee schedules associated with different types of home improvement applications. The need for other pamphlets and brochures should be periodically evaluated, with input from the Planning Commission and City Council as well as "customers" at the Planning Counter.

Responsible Parties:	City Planner/ Consultant
Timing:	Fall 2003 and Ongoing
Funding:	Staff time (General Fund)

Program 4.2: Home Improvement Seminars
Conduct City-sponsored meetings, programs, and seminars which inform residents on home improvement and maintenance practices in Piedmont.

Description:
The City Planning Commission recently held a special session on window replacement. Additional Planning Commission special sessions on roofing, landscaping, energy conservation, and other home improvements would be helpful and could ultimately make home maintenance and improvement projects more affordable for Piedmont households. Such seminars should be aired on KCOM (local access cable) to reach as broad an audience as possible.

Responsible Parties:	Building Official
Timing:	2003 and Ongoing
Funding:	Staff Time (Permit/User Fees)

Program 4.3: Lot Size Exceptions
Establish exceptions to Piedmont's lot size requirements to facilitate the development of existing non-conforming lots and to allow the creation of a limited number of additional lots in the City.

Description:
The Zoning Ordinance currently requires 10,000 square feet of lot area in Zone A and 20,000 square feet of lot area in Zone E. In addition, 90 feet of street frontage is required to create a new lot. By allowing exceptions to these standards where certain conditions are met, the City could increase the number of buildable lots and accommodate development beyond 2006. Because these changes would affect the text of the Zoning Ordinance only and not the City's Zoning Map, they would be done through Planning Commission and City Council hearings rather than through a citywide vote.

The following changes should be explored:

- Eliminating the requirement for a lot size variance for new homes on existing non-conforming lots. Currently, if a new home were proposed on a 9,500 square foot in Zone A, a variance would be required. This represents an additional cost for the homeowner.
- Allowing the creation of lots as small as 8,000 square feet in Zone A where the prevailing lot size (within 500 feet) is 8,000 square feet or less. There are many areas in Zone A where the prevailing lot size is between 6,000 and 8,000 square feet. This measure could create the capacity for a few additional units in the City without adversely affecting neighborhood character.
- Allowing new lots to be created with 60 feet of frontage instead of 90 feet of frontage where other minimum standards (including lot size) can be met, and where there would be no adverse effects on traffic, infrastructure, and neighborhood character. One possibility might be to allow such subdivisions subject to certain conditions, such as an agreement to include a second unit in any house constructed on the property.
- Allowing "flag" lots where certain conditions can be met, such as turnarounds for emergency vehicles.

Responsible Parties:	City Engineer
Timing:	December 2003
Funding:	Staff time (General Fund)

Program 4.4: UBC Updates and Ongoing Enforcement
Continue to implement the Uniform Building Code and update or amend City codes as the UBC changes, and as conditions in Piedmont warrant.

Description:
This is an ongoing program. The City should amend Chapter 5 of the City Code (the Building Code) as updates to the UBC are published. Amendments reflecting local concerns should be made as needed.

Responsible Parties:	Building Official
Timing:	Bi-Annual and Ongoing
Funding:	Staff time (General Fund)

Program 4.5: Fee Review
Review all planning and building fees to be sure that they cover required costs but are not more than is necessary to provide the required City services.

Description:
Fees should be reviewed annually to ensure that they cover operating costs only. Planning and building fees should not be used to subsidize other City departments and services.

Responsible Parties:	Finance Director
Timing:	Ongoing
Funding:	Staff time (General Fund)

Program 4.6: Temporary Staff Additions
Add contract staff as needed to ensure prompt processing of all applications.

Description:
As a small city, Piedmont is susceptible to fluctuations in the volume of active planning and building applications. With only one building inspector, one plan checker, and a small planning staff, processing all applications at the same speed throughout the year can be a challenge. Vacation schedules, staff absences, and staff turnover add to this challenge. Because the City is committed to customer service in its Planning and Building functions, contract staff may be hired to provide building inspection, plan checking, and planning services during peak periods or prolonged staff absences. This program will continue in the future.

Responsible Parties:	Public Works Director
Timing:	Ongoing
Funding:	Staff Time (Permit Fees)

Program 4.7: Capital Improvement Plan Updates
Annually update the Capital Improvements Plan to ensure that municipal systems are kept in good condition.

Description:
The CIP update provides assurance that City-maintained facilities such as streets, sidewalks, and storm drains are kept in excellent condition, thereby avoiding deferred maintenance expenses for Piedmont residents.

Responsible Parties:	Public Works Director
Timing:	Ongoing
Funding:	Staff time (General Fund)

Program 4.8: Zoning Ordinance Amendment for Zone "C" Lot Coverage

Amend the Piedmont Zoning Ordinance (Chapter 17 of the Municipal Code) to increase the lot coverage and impervious surface coverage limits in the Multi-Family Zone (Zone C) for projects in which at least 20 percent of the units are affordable to low and moderate income households. For such projects, the lot coverage limit should be increased from 40 to 50 percent, and the impervious surface limit should be increased from 70 to 80 percent.

Description:

This program is recommended to improve the feasibility of multi-family housing in Zone C and to remove a potential constraint to the redevelopment of the PG&E site. The existing lot coverage limit of 40 percent could be an impediment to that site's redevelopment with multi-family housing. Increasing the limit would provide an incentive to include affordable housing in the project and make it less likely that a variance would be required prior to development.

Responsible Parties:	City Planner, with direction from the City Council and Planning Commission
Timing:	December 2003
Funding:	Staff time (General Fund)

Program 4.9: Zone C Conditional Use Permit Amendment

Amend the Piedmont Zoning Ordinance (Chapter 17 of the Municipal Code) so that multi-family projects of less than eight units are permitted by right in Zone C (the Multi-family Residential Zone).

Description:

This requirement would make it easier for the owners of underutilized properties in the multi-family zoning district to apply for permits to construct small (two to seven unit) multi-family buildings. Such projects would continue to be subject to Planning Commission Design Review, thereby providing an opportunity to ensure land use and design compatibility. Projects of eight or more units would continue to be subject to a CUP requirement. The City would re-evaluate the CUP requirement for such projects in the event that additional land becomes available for multi-family or mixed use housing.

Responsible Parties:	City Planner, with direction from the City Council and Planning Commission
Timing:	December 2003
Funding:	Staff time (General Fund)

Program 4.10: Zoning Amendments for Mobile and Manufactured Homes

To comply with the State Government Code, amend the Piedmont Zoning Ordinance (Chapter 17 of the Municipal Code) to include provisions for mobile and manufactured homes.

Description:

This program would amend Chapter 17 to:

- add definitions of mobile homes and manufactured homes
- establish mobile and manufactured homes on foundations as permitted uses in the single family residential district, subject to the City's Design Review Guidelines and other applicable zoning standards.

The changes would bring the City into compliance with state law regarding mobile and manufactured homes.

Responsible Parties:	City Planner, with direction from the City Council and Planning Commission
Timing:	December 2003
Funding:	Staff time (General Fund)

Program 4.11: Allowances for Housing in the Commercial Zone

Amend the Piedmont Zoning Ordinance (Chapter 17 of the Municipal Code) to add multiple family housing and mixed use development (e.g., structures combining housing and commercial uses) to the list of conditionally permitted uses in the Commercial Zone (Zone D).

Description:

The Piedmont Zoning Ordinance does not presently allow multi-family housing in the Commercial zone. This amendment would add "Multiple Dwelling at a density not to exceed one dwelling unit per 2,000 square feet of lot area" to the list of conditionally permitted uses in the Commercial zoning district (Zone D). It would further add Mixed Use projects combining housing and retail, office, and/or service uses as conditionally permitted uses. This amendment would create an opportunity for a second story residential addition at 1201 Grand Avenue and would also create longer-term opportunities for housing or mixed use projects in the event the City's two service stations or two retail businesses (Bonfare Market and Ace Hardware) are ever redeveloped. It would also create an opportunity to convert the six single family homes in Zone D to mixed use structures, potentially including creating new rental housing units.

The parking requirements for multi-family housing in Zone D would be the same as those for multi-family housing in Zone C (i.e., two spaces per unit). The City would consider requests for parking variances on a case by case basis, depending on the conditions at each site and the types of units to be included. Reductions to the two space per unit standard could

be considered for affordable units or for projects which entered into "shared parking" agreements with adjacent commercial uses. Density bonuses would be allowed in this district for projects incorporating affordable units.

Because about a third of the lots in Zone D currently contain single family homes, the City will also pursue renaming this District the "Mixed Use" Zone instead of the "Commercial" Zone. The change would signify the City's willingness to consider new projects which incorporate housing, as well as those that incorporate commercial uses.

Responsible Parties:	City Planner, with direction from the City Council and Planning Commission
Timing:	December 2003
Funding:	Staff time (General Fund)

GOAL 5: SPECIAL NEEDS POPULATIONS

Provide adequate housing opportunities for Piedmonters with special needs, particularly seniors and the disabled.

Quantified Objectives for Goal 5:

(1) Assist at least 10 senior Piedmont households in obtaining CDBG funding for home rehabilitation projects between 2002 and 2006.

(2) Assist at least 10 Piedmont seniors in finding shared housing within the community between 2002 and 2006.

(3) Facilitate the retrofitting of at least 10 Piedmont homes to enable senior residents to "age in place" rather than relocating out of the community between 2002 and 2006.

POLICIES

Policy 5.1:
Ensure that planning and building regulations accommodate the retrofitting of homes to meet the needs of aging or disabled residents.

Policy 5.2:
Support the provision of housing that is designed and reserved for seniors and persons with disabilities.

Policy 5.3:
Encourage the development of housing targeted for public employees in Piedmont, such as Piedmont school teachers and public safety (police and fire) employees.

Policy 5.4:
Actively cooperate with and participate in regional discussions and programs addressing housing issues, such as homelessness, affordability, smart growth, sustainable development, and the jobs-housing balance.

IMPLEMENTATION PROGRAMS

Program 5.1: Shared Housing
Evaluate the possibility of a shared housing (or "roommate matching") program for Piedmont seniors.

Description:
A shared housing program could range from a simple roommate referral and matching program for seniors to the reconfiguration of homes to accommodate more than one senior household. The City should explore the level of interest in shared housing and the kinds of arrangements that would work best. Potential regulatory obstacles should be identified and guidelines for accommodating such housing should be developed.

Responsible Parties:	City Planner/City Administrator
Timing:	2003 and ongoing
Funding:	Staff time (General Fund)

Program 5.2: Allowances for Temporary Home Improvements
Allow Planning and Building Code exceptions for certain temporary home improvements which help Piedmont seniors remain in their homes as their physical capabilities change.

Description:
An example of an improvement that could be subject to this requirement would be the addition of a first floor bathroom or bedroom without conforming parking—or the addition of a temporary second unit for a nurse or live-in aide. The construction might be permitted with the condition it be removed (or approved with a variance or CUP) when the occupancy of the home changed. Other improvements that could be subject to this requirement might be temporary ramps on the exterior of the building.

Responsible Parties:	City Planner
Timing:	2003 and ongoing
Funding:	Staff time (General Fund)

Program 5.3: Public Information on Home Retrofits
Provide information to Piedmont seniors on helpful home improvements and potential financial resources for home rehabilitation projects.

Description:
The information could be in the form of a pamphlet, seminar, KCOM broadcast, website link, or even a series of articles in The Piedmonter or the Piedmont Post. At a minimum, the materials should address the steps a senior household could take to retrofit a Piedmont home to meet changing housing needs.

Responsible Parties:	City Planner
Timing:	2004
Funding:	Staff time (General Fund)

Program 5.4: Housing for Public Sector Employees
Explore the feasibility of including housing for City or School District staff as a component of any future public building.

Description:
Although there are no *major* new public buildings planned in Piedmont, such facilities (e.g., a library, a child care center, major school expansions, etc.) could be proposed in the future. The feasibility of including one or more housing units for City or School District employees should be considered if and when such projects are proposed.

Responsible Parties:	City Administrator
Timing:	Ongoing
Funding:	**Capital Improvement Plan/ Bonds**

Program 5.5: Assistance to Nonprofit Developers
Provide assistance to nonprofit entities interested in developing housing for low and moderate income Piedmont residents, including the elderly and others with special needs.

Description:
There are several nonprofit entities in the East Bay who are actively engaged in developing housing for low and moderate income households. These builders make an important contribution to the region's housing market and have been the largest producers of affordable housing units in the area during the past decade. Although there are very few vacant or redevelopable sites in Piedmont, the City is committed to working collaboratively with the nonprofit sector in the event a viable development proposal is made.

Program 5.5 will be implemented on an on-going basis. As development opportunities arise, the City will provide technical assistance to nonprofits in the completion and/or co-sponsoring of applications for state and federal housing funds and other grants. The City will also work with nonprofit applicants to identify and proactively address issues of concern in the community, such as traffic, parking, and design compatibility. Finally, the City will consider regulatory concessions, incentives, and other methods which reduce project costs and make the project more viable.

Responsible Parties:	City Administrator and City Planner
Timing:	Ongoing
Funding:	Staff time (General Fund)

Program 5.6: Accommodations for Disabled Persons
Develop a public information pamphlet which describes the procedures for making a Piedmont home "barrier free." This pamphlet should be placed on the Planning Counter at City Hall and distributed to appropriate community groups for further distribution to Piedmont residents.

Description:
The City will work with local disabled advocates and service providers (such as the Center for Independent Living) to develop this pamphlet, which should identify the range of features that might be incorporated in a barrier-free home, and the steps an applicant would take to add these features to a residence. The pamphlet would describe the process for applying for building permits, fee waivers, expedited design review, and allowable variations from the City's design guidelines (for instance, for exterior wheelchair ramps).

As is currently the case, the City will also continue to be receptive to proposals for new housing to serve the needs of disabled persons. For instance, in the event the PG&E site is redeveloped to include affordable units, the City would encourage and support the reservation of some of these units for disabled persons.

Responsible Parties:	City Planner
Timing:	Spring 2004
Funding:	Staff Time (General Fund)

Program 5.7: Zoning Amendment for Emergency Shelter

Amend the Piedmont Zoning Ordinance to identify emergency shelters and transitional housing as conditionally permitted uses in Zone B, the Public Facilities Zone. Add definitions of Emergency Shelter and Transitional Housing to the Zoning Ordinance.

Description:

This action would bring Piedmont into compliance with Government Code Section 65583(C)(1)(a) which states that cities must identify adequate sites for emergency shelter and transitional housing through appropriate zoning and development standards. The action would add both of these uses to the list of conditionally permitted uses in the Public Facilities Zone (Zone B). Presently, single family homes, public agency buildings, and other government structures used by governmental entities or nonprofit entities are permitted uses in this zone. Churches and private schools are permitted with a conditional use permit (CUP).

As part of this action, definitions of "emergency shelter" and "transitional housing" would be added to the Zoning Ordinance. According to the State Health and Safety Code Section 50801, shelters are facilities with "minimal supportive services for homeless persons and are limited to occupancy of six months or less by a homeless person." Transitional housing is "housing with support services for up to 24 months that is exclusively designed and targeted for recently homeless persons."

Shelters and transitional housing would be subject to the same requirements that apply elsewhere in Zone B. This zone has no minimum lot area, no minimum lot frontage, and no limit on lot coverage or impervious surface. Setbacks are 20' on all sides and a height limit of 35 feet applies. Because most of the parcels in this zone are large, these setbacks would not preclude new structures. The procedures for applying for a CUP for emergency shelters would be the same as they would be for other uses requiring a CUP. No special use permit findings or requirements would be established.

Responsible Parties:	City Administrator/ City Council
Timing:	December 2003
Funding:	Staff Time (General Fund)

Program 5.8: Housing Support for Families in Crisis

Support public and non-profit agencies in Alameda County which provide food and shelter for families in crisis. Encourage participation of local residents and the local faith community in addressing homelessness in the region.

Description:

Despite the absence of a visible homeless population in Piedmont, the City is located in an urban area where homelessness is a problem. On an ongoing basis, the City should stay apprised of homelessness issues, work with other agencies in the area who address homelessness, and offer assistance and referrals for any Piedmont resident faced with the prospect of homelessness.

Responsible Parties:	City Administrator/City Council
Timing:	Ongoing
Funding:	Staff time (General Fund)

GOAL 6: HOME ENERGY CONSERVATION

Encourage energy conservation and efficiency in Piedmont homes.

Quantified Objectives for Goal 6:

(1) Issue building permits to retrofit at least 20 homes with energy-saving devices, such as new windows, furnaces, insulation, and appliances between 2002 and 2006.

(2) Approve at least 10 applications which enable the use of alternative energy sources, including solar energy, in Piedmont residences between 2002 and 2006.

(3) Achieve 100 % compliance with Title 24 energy efficiency requirements.

POLICIES

Policy 6.1:
Require all new housing to be designed to encourage energy efficiency. Building design and construction methods should promote and support energy conservation.

Policy 6.2:
Encourage major additions and remodeling projects to use windows, building materials, ventilation systems, and appliances which reduce home heating and cooling costs and conserve energy resources.

Policy 6.3:
Maintain development regulations which accommodate the installation of solar panels and other devices which result in lower energy costs for homeowners and renters.

Policy 6.4:
Support the use of federal, state, and utility-sponsored programs which provide financial assistance or incentives for energy retrofits.

IMPLEMENTATION PROGRAMS

Program 6.1: Title 24
Continue to enforce Title 24 requirements for energy conservation.

Description:
The City will continue to require compliance with the Title 24 energy efficiency standards established by the California Energy Commission. Adhering to these standards can reduce energy costs in new construction by as much as 50 %. Cities may adopt more stringent standards than those mandated by the State, for instance requiring furnaces that are 90 % efficient instead of the 80 % now required, or requiring solar domestic water heaters (subject to design standards). Given the current California energy crisis, the City should explore the viability of applying such standards to homes in Piedmont.

Responsible Parties:	Plan Checker (Public Works)
Timing:	Ongoing
Funding:	Staff Time (Plan Check Fees)

Program 6.2: Solar Panel Siting Guidelines
Develop siting and design guidelines for solar panels and other solar home energy systems.

Description:
The current energy crisis has prompted many homeowners to consider installing roof-mounted solar panels. This program would establish siting guidelines for solar panels and other exterior home energy improvements which ensure that such improvements also meet local design objectives.

Responsible Parties:	Building Official/ City Planner
Timing:	Summer 2004
Funding:	Staff Time (General Fund)

Program 6.3: Financial Assistance
Promote the use of programs which reduce residential energy costs.

Description
These programs include:

- Energy audits (currently conducted by PG&E)
- Rebates (sponsored by non-City entities) for the use of energy efficient appliances, and for the recycling of less efficient appliances.
- Energy-efficient mortgages, which enable homebuyers undertaking energy improvements to qualify for special mortgage benefits.

- The Low Income Home Energy Assistance program (LIHEAP), which offers qualifying low income households financial assistance to offset energy costs (through weatherization or assistance in paying energy bills)
- The "REACH" program (Relief for Energy Assistance through Community Help), which is a PG&E program administered by the Salvation Army that provides energy assistance to low-income customers in the form of one-time payments for energy costs.

Information on these programs should be kept at the Planning and Building counter for interested residents.

Responsible Parties:	Building Official/City Planner
Timing:	Ongoing
Funding:	Staff Time (General Fund) PG&E and State/federal programs

GOAL 7: EQUAL ACCESS

Ensure that all persons have equal access to housing opportunities in Piedmont.

Quantified Objectives for Goal 7:

(1) Follow-up on 100 % of all complaints received relating to fair housing.

(2) Approve 100 % of all housing development projects that meet the requirements of the City Code without regard for the personal characteristics of the applicant or occupants.

POLICIES

Policy 7.1:
Promote the development of housing for all persons regardless of race, religion, ethnic background or other arbitrary factor.

Policy 7.2:
Support and participate in Alameda County programs which ensure that all persons have equal access to housing.

Policy 7.3
Implement and enforce relevant State and Federal Fair Housing laws.

Policy 7.4:
Promote public education and awareness of fair housing requirements, and reduce public misconceptions about low income housing.

IMPLEMENTATION PROGRAMS

Government Code Sec. 65583 (c)(5):

The Housing Element program shall... "Promote housing opportunities for all persons regardless of race, religion, marital status, ancestry, national origin, or color."

Program 7.1: Referrals
Allow the City's Community Relations Committee to act as a referral board for all claims of discriminatory decision making.

Description:
The City's Community Relations Committee was created as an advisory committee to the City Council to address issues of cultural diversity and inclusiveness in Piedmont. The Committee may act as a referral board for any individual who registers a formal complaint regarding housing discrimination in the City, directing the individual to the appropriate County or State agency. As needed, the City will also work with Alameda County to quickly and effectively address any potential violations of fair housing laws.

Responsible Parties:	City Clerk
Timing:	Ongoing
Funding:	Staff Time (General Fund)

Program 7.2: Public Information
Make brochures and notices on equal housing laws available at City Hall.

Description:
This is an ongoing program that will be continued in the future. Pamphlets on Fair Housing Laws, including the procedure for filing a complaint, are kept at the Planning and Building Counter. These brochures should be regularly restocked to ensure that they are always available to the public.

Responsible Parties:	City Clerk
Timing:	Ongoing
Funding:	Staff Time (General Fund)

5.3 FIVE-YEAR ACTION PROGRAM

Table 5-1 summarizes the City's housing objectives for the 2002-2006 period. Table 5-2 summarizes the Programs described in this chapter.

Table 5-1: Summary of Housing Program Objectives, 2002-2006

Type of Activity	INCOME GROUP				TOTAL
	Very Low	Low	Moderate	Above Moderate	
New Construction					
Single Family Homes				*20*	*20*
Multi-Family			*2*	*8*	*10*
Second Units in New Homes		*2*	*8*		*10*
Conversion of "Unintended" Second Units to rentals	*6*	*1*			*7*
SUB-TOTAL	**6**	**3 (*)**	**10**	**28 (*)**	**47 (*)**
Conservation of Second Unit Temporary Use Permits (**)	*3*	*7*			*10*
SUB-TOTAL	**3**	**7**			**10**
Housing Rehabilitation Assistance					
Senior or Disabled		*10*			*10*
Other Low Income		*10*			*10*
SUB-TOTAL		**20**			**20**
Shared Housing for Seniors					**10**
Energy Efficiency Retrofits					**20**
Alternative Energy Retrofits					**10**

Source: City of Piedmont, 2002

Notes:

(*) ABAG allocation for 1996-2006 was 49 units. One low income unit and one above moderate income unit were completed in 1999-2001 and have been subtracted.
(**) Division of TUP units into "very low" and "low" based on rental tax data.

Table 5-2: Five-Year Action Program

Prog No.	Program Title	Responsible Parties												Funding Source	Timing
		City Administrator	City Council	Planning	City Planner	Building Official	Plan Checker	Public Works	City Engineer	Finance Director	City Attorney	City Clerk	Other		
1.0 HOUSING OPTIONS															
1.1	Vacant Land Inventory				X									General Fund	Ongoing from Summer 2003
1.2	Second Units in New Homes	*	*	*	X	*		*			*			General Fund	December 2003
1.3	Mixed Use Development	*	*	*	X	*		*			*			General Fund	December 2003
1.4	Density Bonuses	*	*	*	X						*			General Fund	December 2003
1.5	Redevelopment of PG&E Site	X	*	*	*			*			*		*	Non-profit or private	2004-2006
2.0 HOUSING CONSERVATION															
2.1	CDBG Funding	*	*		X					*		*	*	General Fund CDBG	Ongoing from Spring 2003
2.2	Preservation of Small Homes	*	*	*	X	*								General Fund	Ongoing from Spring 2003
2.3	Use of Original Materials/Methods				*	X	*	*						General Fund	Ongoing
2.4	Condominium Conversions	*	X		*						*			General Fund	Ongoing
2.5	Protection of Non-Conforming Multi-Family Uses	*	*	*	X	*					*			General Fund	Dec. 2003
SECOND UNIT OCCUPANCY															
3.1	TUP Renewals	*	*	*	X	*								Permit Fees	Fall 2002
3.2	Second Unit Feasibility Study, Ordinance Revision, and Incentive Package	*	*	*	X						*			General Fund	Study: Nov 03 Ordinance Rev: Spring 04
3.3	Public Information and Education				X								*	CUP Fees	Spring 2004

KEY:
X = Lead entity; * = Participating entity

Prog No.	Program Title	Responsible Parties												Funding Source	Timing
		City Administrator	City Council	Planning	City Planner	Building Official	Plan Checker	Public Works	City Engineer	Finance Director	City Attorney	City Clerk	Other		
4.0 HOUSING CONSTRAINTS															
4.1	Pamphlets				X								*	General Fund	Fall 2003
4.2	Home Improvement Seminars				*	X	*	*						Permit Fees	2003/ ongoing
4.3	Lot Size Exceptions	*	*	*	*			*	X					General Fund	December 2003
4.4	UBC Updates and Ongoing Enforcement					X	*	*	*					General Fund	Bi-annual/ ongoing
4.5	Fee Review	*						*		X		*		General Fund	Ongoing
4.6	Temporary Staff Additions	*						X		*				Permit Fees	Ongoing
4.7	Capital Improvement Plan Updates	*	*					X	*	*				General Fund	Ongoing
4.8	Zoning Ordinance Amendment for Zone "C" Lot Coverage	*	*	*	X						*			General Fund	December 2003
4.9	Zone "C" Conditional Use Permit Amendment	*	*	*	X						*			General Fund	December 2003
4.10	Zoning Amendments for Mobile/ Manufactured Homes	*	*	*	X	*	*				*			General Fund	December 2003
4.11	Allowances for Housing in the Commercial Zone	*	*	*	X						*			General Fund	December 2003
5.0 SPECIAL NEEDS POPULATIONS															
5.1	Shared Housing	*			X	*					*	*		General Fund	2003/ ongoing
5.2	Allowances for Temporary Home Improvements	*		*	X	*	*	*			*			General Fund	2003/ ongoing
5.3	Public Information on Home Retrofits				X	*							*	General Fund	2004

KEY:
X = Lead entity; * = Participating entity

Prog No.	Program Title	Responsible Parties												Funding Source	Timing
		City Administrator	City Council	Planning	City Planner	Building Official	Plan Checker	Public Works	City Engineer	Finance Director	City Attorney	City Clerk	Other		
5.4	Housing for Public Sector Employees	X	*											CIP/ Bonds	Ongoing
5.5	Assistance to Nonprofit Developers	X	*		*					*		*	*	General Fund	Ongoing
5.6	Accommodations for Disabled Persons				X	*	*							General Fund	Spring 2004
5.7	Zoning Amendment for Emergency Shelter	*	*	*	X	*					*			General Fund	December 2003
5.8	Housing Support for Families in Crisis	*	X	*										General Fund	Ongoing
6.0 ENERGY CONSERVATION															
6.1	Title 24					*	X							Permit Fees	Ongoing
6.2	Solar Panel Siting Guidelines	*		*	X	*	*	*						General Fund	Spring 2004
6.3	Financial Assistance	*			*	X		*		*		*		CUP Fees	Ongoing
7.0 EQUAL ACCESS															
7.1	Referrals	*	*		*			*			*	X		General Fund	Ongoing
7.2	Public Information	*			*							X		General Fund	Ongoing

KEY:
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APPENDIX A: Housing Production Data for Piedmont, 1989-1998[15]

New Single Family Detached Homes	
4 Abbott Way	16 Lorita Avenue (replaced an existing home)
114 Alta Avenue	151 Maxwelton Road
126 Alta Avenue	201 Pacific Avenue (replaced a home destroyed by fire in the 1980s)
27 Craig Avenue (lot was formerly 29 Craig)	120 Requa Road (replaced an existing home)
73 Fairview Avenue	339 San Carlos Avenue (replaced an existing home)
105 Florada Avenue	255 Scenic Avenue
141 Hazel Lane (replaced an existing home)	25 Tyson Circle
503 Hampton Road	21 Valiant Place (formerly known as Lot 73)
236 King Avenue (estate parcel subdivided and former guest cottage converted to separate residence)	68 Wyngaard Avenue (lot was formerly 60 Wyngaard)
14 Littlewood Drive	
Approved Second Units (*)	
121 Alta Avenue	1033 Oakland Avenue
11 Cambridge Way	202 Pacific Avenue
109 Crocker Avenue	214 Pacific Avenue
210 Crocker Avenue	451 Pala Avenue
116 El Cerrito Avenue	117 Ramona Avenue
124 El Cerrito Avenue	117 Requa Road
201 Estates Drive	120 Requa Road
233 Estates Drive	223 Scenic Avenue
62 Farragut Avenue	236 Scenic Avenue
45 Glen Alpine Road	280 Scenic Avenue
395 Hampton Road	332 Sheridan Avenue
300 Hillside Avenue	45 Sierra Avenue
62 Inverleith Terrace	160 Somerset Road
99 Inverleith Terrace	271 Saint James Drive
25 La Salle Avenue	55 Saint James Place
131 La Salle Avenue	110 Sunnyside Avenue
340 La Salle Avenue	127 Sunnyside Avenue
48 Lakeview Avenue	130 Sunnyside Avenue
68 Lincoln Avenue	138 Sunnyside Avenue
37 Mesa Avenue	24 Sylvan Way
425 Moraga Avenue	1800 Trestle Glen Road
980 Moraga Avenue	130 York Drive
315 Mountain Avenue	

(*) = Second units listed include those permitted with Conditional Use Permits (CUPs) and Government Code CUPs. Additional second units were permitted prior to 1989 with Temporary Use Permits (TUPs) or a determination that they were exempt from the City's ordinance.

[15] January 1, 1989 – December 31, 1998

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